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NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

Report of the workshop on the preparation of national communications from Annex I Parties

Note by the secretariat

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Annex

Agenda of the workshop 12

I. INTRODUCTION

A. Mandate

1. The Conference of the Parties (COP), at its fourth session, adopted decision 11/CP.4 on national communications from Parties included in Annex I to the Convention. By this decision, the COP requested Annex I Parties to submit to the secretariat their third national communications by 30 November 2001.

2. The COP also requested its subsidiary bodies to consider the scope, modalities and options for the review process, including the review of the annual inventory information and the need for more thorough consideration of national circumstances. It further requested its subsidiary bodies to consider reporting requirements under the Kyoto Protocol to the Convention, and to report, as appropriate, to the COP, at its fifth session, on any proposed changes, with a view to adopting revised guidelines for the review process at its sixth session. It decided that the third national communications should be subject to an in-depth review coordinated by the secretariat and in accordance with the revised guidelines.

3. The Subsidiary Body for Implementation (SBI), at its twelfth session, concluded that it would consider at its fourteenth session the issue of developing guidelines for the review of national communications under the Convention, including the options described in document FCCC/SBI/2000/3, and that its consideration at that session should also take into account the guidelines to be developed for the review of national communications under Article 8 of the Kyoto Protocol.

4. Furthermore, the SBI requested the secretariat to organize a workshop on the preparations for the third national communications and the review of these communications (see FCCC/SBI/2000/5). The purpose of the workshop was to facilitate the preparation of the third national communications by Annex I Parties by exchanging relevant information and sharing experience among Parties. In addition, the workshop had to deliberate on possible ways to further improve the review process.

B. Scope of the note

5. The report describes the proceedings and presents the chairpersons' summary of the discussions that took place during the workshop.

II. PROCEEDINGS

6. The workshop on the preparation of national communications of Annex I Parties was held in Bonn from 28 February to 2 March 2001. The agenda of the workshop is attached in the annex to this report.

7. In total, 75 representatives from countries and organizations attended the workshop. This included 36 representatives nominated by Annex II Parties, 20 by Parties with economies in transition and 17 by non-Annex I Parties. In addition, one representative from the Organization for Economic Co-operation and Development (OECD) and one representative from the Verification, Research, Training and Information Centre attended the workshop.

8. Ms. Claire Parker, coordinator, UNFCCC secretariat, officially opened the workshop. She recalled the mandate of the workshop. She explained the purpose of the workshop, which was to provide an opportunity for the national experts to discuss their plans and share their experience with the new guidelines for the preparation of national communications by Parties included in Annex I to the Convention, hereafter referred to as the new guidelines. These new guidelines were adopted by the COP at its fifth session by its decision 4/CP.5. Finally, Ms. Parker introduced the chairs of the workshop, Ms. Helen Plume from New Zealand and Mr. Jose Gonzalez Miguez from Brazil.

9. Ms. Plume then presented the objectives of the workshop, its approach and agenda. A presentation from the UNFCCC secretariat followed. It provided an overview of the problems identified in reporting information in the first and second national communications, how the new guidelines address these problems and the ways to ensure expertise in the in-depth review process.

10. The first working session was devoted to national circumstances, education, training and public awareness. The secretariat provided an introductory presentation on national circumstances followed by a presentation from Belgium. Some aspects of the reporting on national circumstances were also addressed in the session on policies and measures. The discussions centred not only on how Parties should report, but also on what type of information they should report, in order to improve transparency and comparability.

11. The secretariat provided an introductory presentation on education, training and public awareness and a presentation on the most recent developments in the SBSTA work programme on Article 6 of the Convention. The ensuing discussion centred on public awareness and the need for wider public participation, including participation of the major stakeholders, in the preparation and internal review of the national communications.

12. The second working session was on vulnerability assessment, climate change impacts and adaptation, and research and systematic observation. The secretariat introduced the topic. A participant from the Czech Republic gave a presentation on his country's experience in organizing the work and reporting on vulnerability assessment, climate change impacts and adaptation, and research and systematic observation in the context of the Czech Republic's national climate programme. The second presentation in this session was from Germany. It focused on systematic observation and the UNFCCC reporting guidelines on Global Climate Observing Systems (GCOS).

13. The main issues emerging from the presentations and the discussion encompassed the need for a more comprehensive reporting on impacts and adaptation to climate change, the need to update the IPCC guidelines to incorporate the assessment of climate change impacts and adaptation, the need to reverse the decline in observational networks, and the new GCOS guidelines.

14. In the third working session on policies and measures the secretariat provided an introductory presentation followed by presentations from the UK, New Zealand, the Slovak Republic and Denmark. The issues dealt with in the presentations and the ensuing discussion encompassed the selection of policies and measures to be reported in national communications and their categorization by sector, quantifying their effects as well as monitoring and evaluating the performance of policies and measures.

15. The fourth working session was on projections and the total effect of policies and measures. The secretariat introduced the topic followed by presentations from the United States of America, the Netherlands, Switzerland, Bulgaria, Sweden and the Czech Republic. Among the issues which stemmed from the presentations and the following discussions were estimates of the total effect of

policies and measures and the quality of these estimates, the need for sensitivity analysis, the option for countries with economies in transition to provide more than one emission scenario based on different macroeconomic assumptions and the diversity of approaches used to prepare projections.

16. The fifth working session on financial resources and the transfer of technologies was conducted in a round-table discussion. The secretariat introduced the topic and then two participants, Mr. Vute Wangwacharkul (Thailand) and Mr. Reid Harvey (United States of America), facilitated the discussion which centred on several questions distributed in advance to participants. These included the definition of 'new and additional resources', information on private sector activities on technology transfer, and the preparation of information for the tables in the new guidelines.

17. The last working session was on the experience gained with the in-depth review of national communications and ways to ensure expertise in this process. The secretariat introduced the topic, followed by a presentation from the OECD on some elements of the OECD reviews of energy and environmental policy, which might be helpful to the UNFCCC process. The presentations and the ensuing discussion dealt with options to improve the expertise of the experts involved in the in-depth reviews and how to conduct the review of all Annex I Parties within a period of two years and prepare the relevant reports in a timely manner. After this session the workshop chairs provided the participants with a summary of the main issues discussed and the proposed approaches.

III. SUMMARY BY THE CHAIRS

A. General issues

18. The presentations and discussions which took place during the workshop suggested that Parties were at different stages of preparing their third national communication following the new guidelines. Nonetheless, the experience gained indicated that these guidelines are a useful tool to ensure more transparent and consistent reporting compared to the former reporting guidelines.

19. Participants acknowledged the usefulness of considering the comments provided during the in-depth reviews of previous national communications when preparing the third national communications, especially in the chapters on policies and measures, and projections and estimates of the total effect of measures. They also acknowledged that due to some time lag between the preparation of the national communications and the review, the review reports contain a great deal of new information and, in this sense, they play the role of interim reports.

20. In the preparation of the third national communication the majority of Parties have used the institutional arrangements established to prepare the previous national communications. They further strengthened these arrangements by involving new institutions (governmental agencies, research centres and different levels of government) and by improving the linkages between the different teams working on different sections of the national communications, notably the teams dealing with inventories, policies and measures, and projections. In this context, the participants also emphasized the need to link the reporting in the national communications under the UNFCCC process with the reporting under other relevant processes.

21. The need was stressed for careful consideration of sectors and consistency in defining which subcategories are included in sectors covered by the different chapters of the national communications. It was considered helpful to describe the sectors referred to in the policy and measures and projection sections of the national communication, indicating which of the detailed IPCC source categories are included in those sectors.

22. As an example, participants mentioned that to report information on the energy sector for the policies and measures section all the relevant energy-related IPCC subcategories could be used except transport which, according to the new guidelines, forms a separate sector. These include fuel combustion in energy industries, manufacturing industries and construction, other sectors (commercial/institutional, residential and agriculture/forestry/fishing), as well as fugitive emissions from solid fuels and from oil and natural gas.

23. Participation in the discussion of experts from both Annex I and non-Annex I Parties was very useful as it provided an opportunity to exchange information and experience between the teams involved in the preparation of the national communications from these two groups of Parties. Participants stressed the need to consider possible ways of ensuring the continuation of such exchanges.

B. National circumstances

24. The participants pointed out that the reporting focus in the national circumstances section should be on the underlying driving forces and/or processes affecting the trends in emissions and removals. In this context, disaggregated indicators mentioned in the new guidelines could be a useful tool to explain the relationship between the national circumstances and the trends in GHG emissions or removals.

25. The issue of comparability of the information reported on national circumstances was brought forward. Participants noted that while the new guidelines will definitely help to improve the comparability of the information reported in this chapter, the option to report the information that Parties believe best describes their national circumstances may introduce some level of inconsistency in this information.

C. Education, training and public awareness

26. On public participation and the need to raise public awareness on climate change, the majority of countries envisaged such activity during the preparation of the national communications. Participants pointed out that such participation not only contributed to the comprehensive coverage of all the aspects of climate policy in the national communication, but also raised awareness on the implementation of this policy and enhanced overall transparency of the document.

27. Some participants mentioned that their countries did not have an established practice of public participation in the preparation of the national communications. Instead, their practice was that of a public discussion of the key policy documents, on which the national communication is based. Other countries involve some of the major stakeholders in their national climate change commissions which, in many cases, oversaw the preparation of the national communications. The issue of public participation was also an important one for the non-Annex I countries.

D. Vulnerability assessment, climate change impacts and adaptation

28. Participants noted that, according to the scientific findings of the recently approved Intergovernmental Panel on Climate Change Third Assessment Report (IPCC TAR), adaptation is a necessary strategy to complement climate change mitigation efforts.

29. They also noted that, in most cases, Parties limited their reporting to information on the assessment of impacts of, and adaptation to, future climate change based on climate change scenarios.

Formulation and implementation of national programmes containing measures to facilitate adaptation to climate change received less attention. Participants, particularly those from non-Annex I Parties, encouraged more detailed reporting from Annex I Parties on impacts and adaptation assessment, and also on adaptation measures implemented and/or planned. They stressed that such reporting would be a very helpful source of information, which could be used to encourage North-South co-operation and to share experience and good practices.

30. A need to update the IPCC technical guidelines to incorporate the assessment of climate change impacts and adaptation referred to in the new guidelines was acknowledged. It was also acknowledged that these guidelines should be more practical and take into consideration recent findings of the IPCC TAR on impacts and adaptation.

E. Research and systematic observation

31. The participants pointed out that the adoption of the separate GCOS guidelines is an important step forward, which should ensure more comprehensive and uniform reporting on activities related to GCOS and the needs for capacity-building in this area. Some participants felt, however, that reporting on systematic observation according to the GCOS guidelines could be difficult, as it requires more data and implies involving new institutions and stakeholders in the work on national communications.

32. The participants recalled that the IPCC TAR ranked the reversing of the decline of observational networks in many parts of the world as the first in the list of high priority areas for action needed to detect, attribute, and understand climate change. They stressed the importance of capacity-building activities in developing countries for maintaining observation networks, and the need for a comprehensive coverage of these activities in the research and observation section of Annex I national communications.

F. Policies and measures

33. On the issue of selecting policies to be reported in the national communications, the participants emphasized the need to report on policies adopted under Article 4.2 (a) and (b) of the Convention. They acknowledged that, in line with the new guidelines, these policies may not be necessarily climate-driven, but they should contribute to significant emission savings and/or are innovative or potentially replicable. Some participants felt that policies and measures reported will continue to be those that best fit the existing national circumstances.

34. The participants acknowledged the importance of reporting on policies and measures implemented at different levels of government in order to provide a comprehensive overview of all activities to address climate change. Some countries decided to include in their national communication reports examples of the measures implemented at the regional level, while others included all of these measures. However, participants recognized that such comprehensive reporting could be difficult to implement and could also introduce elements of double-counting of effects. In addition, the process of redistribution of power between central and regional governments and municipal authorities could introduce another level of complexity in such reporting.

35. In reporting information in the policies and measures section, participants acknowledged that quantifying the effect of policies and measures is one of the main challenges. Although some progress was made compared to the previous communications, it remained difficult for most of the countries to estimate the total effect of the policies and measures and to separate this estimation from a hypothetical base-line development. It was even more difficult to separate the effect of one policy from another.

The level of difficulties increased further in cases when the effect of mitigation policies was partly off-set by an increase in emissions provoked by other policies.

36. The participants acknowledged the importance of ensuring the quality of estimated effects. However, they noted that these estimates are likely to remain incomparable and uncertain. A suggestion was made to add an evaluation of the confidence level of the effects estimated in terms of *low, medium and high*.

37. Another element of uncertainty could be introduced by differences in interpretation of definitions of implementation. While there was a converging understanding of what implemented policies meant, given the definition provided in the new guidelines, the interpretation of adopted and planned measures was different for many of the participants involved in the discussion and it is likely to remain different in the national communications.

38. The monitoring and evaluation of policies and measures appeared to be important for the participants. The experience gained by some of them suggests that aggregated and disaggregated indicators could be a useful tool to do this. Others pointed out that the existing systems for monitoring the implementation of different programmes, e.g. energy efficiency programmes, including monitoring of the investment involved, have been successfully modified to monitor the environmental performance of these programmes and related policies.

39. To improve the transparency of the policy-making process one country reported a project for the preparation of a policy data base, in conjunction with the information reported in the national communication which will be accessible by the public.

G. Projections and the total effect of policies and measures

40. The participants identified the assessment of the total effect of policies and measures as a complex task. Some of them stressed the need for a "without measures" scenario as a tool to identify the total effect of implemented policies and measures (only those included in the model) and to validate the models used. Others questioned the usefulness of such a scenario, the difficulties in constructing it and highlighted the great flexibility given by the new guidelines in the preparation of such a scenario, e.g. the choice of the base year.

41. The participants noted that the major challenge in estimating the effect of already implemented policies and measures would be to separate the impact of the measures from the impact of structural changes. They also noted that while the new guidelines enable countries to define the emission scenarios in a more transparent manner, they still leave room for different interpretations.

42. The sensitivity analysis of projections to underlying assumptions was stressed as an integral part of preparing projections. It was noted that, in some cases, the fact that a measure is adopted still leaves some uncertainty as to its actual effect. An example would be the conclusion of voluntary agreements and the possibility of introducing a carbon tax at a later stage if the voluntary agreement fails. Another example would be the uncertainties associated with the phasing out of nuclear energy. In such cases it was proposed to reflect such uncertainty with different scenarios. Participants also mentioned that the short-term projections could differ significantly from long-term projections, due to the use of different assumptions and models for different types of projections. The world oil price was mentioned as one of the crucial variables in this regard.

43. For economies in transition, economic development is the main driving force defining trends in greenhouse gas emissions. As the pace of economic development in these countries varies within a wide range, depending on the pace of reforms, robust economic and emission projections are difficult to obtain. In this context, the need for special macroeconomic approaches and the need to provide more than one emission scenario, based on different macroeconomic assumptions, were acknowledged.

44. The participants reported on the diversity of approaches used and the number of agencies involved in preparing projections. Different levels of attention were given, and different resources were allocated to different sectors, depending on their relative importance. Usually, the energy sector received much attention. For projections in this sector, the MARKAL[1] model was often mentioned, in some cases linked to a macroeconomic model. Some economies in transition used the ENPEP[2] model. For sectors other than energy and gases other than carbon dioxide spreadsheet models, expert judgement and trend extrapolation were used. Participants stressed the need to ensure consistency in the approaches, interaction between the agencies involved and the need to account for the linkages between sectors, especially in relation to cross-cutting policies and measures.

45. Some countries faced particular difficulties in the preparation of projections for hydrofluorocarbon (HFCs), perfluorocarbon (PFCs) and sulphur hexafluoride (SF_6) emissions. It was mentioned that there is an international initiative under way to provide a web-based tool for countries to estimate emissions and projections of these gases funded by industry and the Environmental Protection Agency of the United States of America.[3]

II. Financial resources and transfer of technology

46. Participants acknowledged that defining 'new and additional resources' remained one of the main challenges in reporting on financial resources and the transfer of technology, as the projects covered by development assistance are not exclusively earmarked for climate change. This was, in part, due to the integrated approach employed by the development agencies in selecting and implementing projects. Some participants reported that, to resolve this problem, their countries have already included climate change as one of the selection criteria for projects.

47. It was suggested that more examples of projects involving new and additional resources could be very useful. In addition, a better understanding of what constitutes new and additional resources should be promoted among Parties. Another challenge pointed out was the problem of reporting multi-year funded projects and the requirement of the new guidelines to report on an annual basis.

48. The participants noted that a significant portion of technology transfer occurred through private sector activities, but their effect was not easy to capture due to difficulties in obtaining information about private sector transactions in developing countries. This problem may limit the Parties' ability to report projects and activities under technology transfer. An example was given of a country which

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[1] MARKAL-MACRO was developed in a cooperative multinational project involving participants in the International Energy Agency's Energy Technology Systems Analysis Programme, including Brookhaven National Laboratory, Chalmers University of Technology, Sweden, and Stanford University, the United States of America.

[2] The ENPEP model was developed in Argonne National Laboratory, USA, in close collaboration with the International Atomic Energy Agency, Vienna, Austria.

[3] The web address of this tool is (http://www.ggeec.org).

intends to use a council which supports the private sector in establishing contacts with developing countries for the purposes of reporting on this subject.

49. Being able to differentiate between 'hard' and 'soft' technologies is likely to remain problematic as most participants stressed the difficulties in disaggregating these components that are usually embedded in the same projects. Others cited the problem of monitoring the implementation and effect of these projects.

50. On reporting tables in the new guidelines, participants pointed out the problems they had encountered in filling in these tables. In particular, some participants raised the issue of the different fiscal years that countries used and the option to use the tables as they are, but to include as a footnote the actual fiscal year to which the information refers.

51. Furthermore, the participants acknowledged some problems in reporting information on the assistance provided to developing countries which are particularly vulnerable to climate change (Table 5 of the new guidelines) as no list exists of such countries. They also acknowledged that, although Article 4.8 broadly defined countries which are particularly vulnerable to climate change, there is a need for a guidance on this issue. One participant suggested using a set of criteria to define such countries, including low gross domestic product, high population growth, low lying and desert countries.

52. Other problematic issues included the requirement of the new guidelines to report on capacity-building on adaptation only, as capacity-building was perceived by the participants not as a separate activity, but as an integral part of both mitigation and adaptation activities. They also included the need for a separate column to report on the cross-sectoral activities in the mitigation part of this table. Finally, a proposal was made to include in the table along with projects on coastal zone management, information on other no-regret adaptation measures.

53. In discussing the number of projects selected to be reported as projects that promote the financing and transfer of environmentally sound technologies (Table 6 of the new guidelines) participants noted that it is not practical to include all projects as it may lead to voluminous reporting. Instead, a sample of projects representing various climate initiatives could be presented, together with a reference to the other such projects, with information on them posted on the web sites or published in a separate annex to the national communication. They also noted that the information on the impact on greenhouse gas emissions removals is important. To that end, they suggested Parties report such information even though the guidelines specified it as optional. Another suggestion was to also include information on adaptation projects in this table.

I. In-depth review of national communications, problems encountered during the previous reviews and ways to overcome these problems

54. On the issue of the in-depth reviews of the national communications, the participants noted the usefulness of this exercise, its contribution to improvements in the quality of the national communications, its valuable capacity-building component and the high quality of the resulting reports. They discussed some options which could help to improve further the quality of these reports. These include improving the expertise of the experts involved in the in-depth reviews as well as conducting the review of all Annex I Parties within a period of two years and the preparation of the relevant reports in a timely manner.

55. The participants stressed that better preparation for the in-country visits, including the preparation of the review team and officials in the country to be reviewed, would assist the review process. In this context, many participants supported the preparation of a set of questions by the review team to be sent in advance to the host country in order to allow for some time to prepare the relevant answers by the time of the country visit.

56. An option for a third party review prior to the team visit was also suggested. The questions which would come from this review could be integrated into the review team's questions mentioned above. In addition, the host country could also send to the review team a set of background materials in advance which support the issues presented in the national communication, or which shed light on any new development. This would allow the team members to read these materials and to prepare themselves better prior to the visit. Finally, an initial draft of the review report could be prepared by the experts prior to the in-country review and based on the paper review only.

57. On the team size and composition, the participants noted that the current practice of having teams of four or five experts, co-ordinated by the secretariat, with a good balance in representation of geographical regions and balance of expertise should be extended to future reviews. However, they noted that the team size could be increased in the case of reviewing large and complex economies. In addition, involving consultants in some of the reviews and wider participation of experts from intergovernmental organizations could also be useful in order to speed-up the preparation of the review reports.

58. The issue of how to ensure expertise in the review process received much attention in the deliberations. The participants agreed that in-depth reviews have a valuable capacity-building component and that the expertise of the experts involved is very important for the quality of the review and timely completion of the reports. An immediate action needed in this context was for the Parties to update their nominations for the roster of experts. Participants noted that the training of experts involved in the review was needed. This could include the centralized training of experts in a particular field, for example, on projections. This could also include one day training for the review team during the in-country visits prior to the first day of meetings with host country representatives.

59. On the issue of guidelines for the in-depth review process, the participants noted that review guidelines under the Convention could be developed in line with the approach taken in elaborating the review guidelines under Article 8 of the Kyoto Protocol but that these are not considered to be a priority at present.

UNFCCC WORKSHOP ON THE PREPARATION OF NATIONAL COMMUNICATIONS FROM ANNEX I PARTIES

Bonn, Germany

28 February – 2 March 2001

AGENDA

Day 1: Wednesday, 28 February 2001

Registration (8 a.m. to 9 a.m.)

Morning session (9 a.m. to 1 p.m.)

Welcome, opening and introduction to the objectives of the workshop

Welcome and opening of the workshop
Ms Claire Parker (UNFCCC)

Introduction to the workshop,
presentation of its approach, structure and objectives
Ms Helen Plume (New Zealand) and
Mr. Jose Gonzalez Miguez (Brazil)
Co-Chairs of the workshop

Problems in the preparation of national communications,
the new reporting guidelines and ways to ensure
expertise in the in-depth review process
Mr. Vitaly Matsarski (UNFCCC)

Reporting of information on national circumstances and education, training and public awareness

Introduction
Ms Katia Simeonova (UNFCCC)

National Circumstances:
The case of Belgium
Mr. Peter Wittoeck (Belgium)

Development of a work programme
on Article 6 of the UNFCCC
Mr. Kevin Grose (UNFCCC)

Discussion

Coffee break (11 a.m. to 11.30 a.m.)

Reporting of information on vulnerability assessment, climate change impacts and adaptation measures, research and systematic observation

Introduction
Ms Olga Pilipenova (UNFCCC)

Third National Communication. Systematic observation
The UNFCCC reporting guidelines on Global Climate
Change Observing Systems
Mr. Stefan Roesner (Germany)

Research and systematic observation, vulnerability
assessment, impact and adaptation measures
National climate programme of the Czech Republic
Mr. Jan Pretel (Czech Republic)

Discussion

Afternoon session (2:30 p.m. to 6 p.m.)

Reporting of information on policies and measures

Introduction
Ms Katia Simonova (UNFCCC)

Reporting policies and measures
Ms Sally Kendall (UK)

The policies and measures issues in the
New Zealand National Communication
Mr. Charlie Russel (New Zealand)

The Third National Communication on climate
change, Slovak Republic
Ms Helena Princova (Slovakia)

Policies and measures and national
circumstances in Denmark
Mr. Ture Hammar (Denmark)

Coffee break (4 p.m. to 4:30 p.m.)

Discussion

Day 2: Thursday, 1 March 2001

Morning session (9 a.m. to 1 p.m.)

Reporting of information on projections and the total effect of policies and measures

Introduction
Mr. Niklas Höhne (UNFCCC)

U.S. National Communication:
Projections and effects of policies and measures
Mr. Jeffrey Dowd (U.S)

Projections in-country:
The Dutch experience
Mr. D. Both and Mr. H. Vreuls (the Netherlands)

Projections and total the effect of measures:
The Swiss experience
Mr. Markus Maibach (Switzerland)

Coffee break (11 a.m. to 11:30 a.m.)

Bulgaria GHG emission projections:
Methodology and institutional arrangements
Dr. Christo Christov and Mr. Teodor Ivanov (Bulgaria)

Projections of Swedish GHG emissions:
Current and planned work
Mr. Andre Zuber (Sweden)

Projections and the total effect of policies and measures:
Primary results in the Czech Republic
Mr. Miroslav Maly (Czech Republic)

Discussion

Afternoon session (2:30 p.m. to 5 p.m.)

Reporting of information on financial resources and the transfer of technology

Introduction
Ms Wanna Tanunchaiwatana (UNFCCC)

Round-table discussion
Discussion leaders:
Mr. Vute Wangwacharkul (Thailand)
Mr. Reid Harvey (US)

Coffee break (3:30 p.m. to 4 p.m.)

Day 3: Friday, 2 March 2001

Morning session (9 am to 1 p.m.)

In-depth review of the national communications, some problems encountered during the previous reviews and ways to overcome these problems

Introduction
Mr. Vitaly Matsarski (UNFCCC)

Strengthening UNFCCC in-depth reviews:
Potential lessons from OECD
Ms Jane Ellis (OECD)

Coffee break (11 a.m. to 11:30 a.m.)

Discussion

Afternoon session (2:30 pm to 5 p.m.)

Conclusions and recommendations of the workshop

Report from the workshop Chairs
Ms Helen Plume (New Zealand) and
Mr. Jose Gonzalez Miguez (Brazil)

Concluding discussion on the lessons learned and the process forward

Closing remarks

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UNITED NATIONS

Framework Convention on Climate Change

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SUBSIDIARY BODY FOR IMPLEMENTATION
Fifteenth session
Marrakesh, 29 October – 9 November 2001
Item 7 (a) of the provisional agenda

ADMINISTRATIVE AND FINANCIAL MATTERS

INTERIM FINANCIAL PERFORMANCE FOR 2000-2001

Unaudited financial statements for the biennium 2000-2001 as at 31 December 2000

Note by the Executive Secretary

1. The financial procedures of the Convention stipulate that "an interim statement of accounts for the first year of the financial period shall be provided to the Conference of the Parties during the second year of the period" (FCCC/CP/1995/7/Add.1, decision 15/CP.1, annex I, para. 19).

2. The unaudited financial statements for the biennium 2000-2001, as at 31 December 2000, are attached as an annex to this covering note. They are reproduced as received without formal editing.

3. The Conference of the Parties may wish to take note of the information contained in the interim financial statements and provide guidance to the Executive Secretary, as necessary.

GE.01-64657

Annex

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I. CERTIFICATION OF THE FINANCIAL STATEMENTS

27 June 2001

I certify that the appended financial statements of the United Nations Framework Convention on Climate Change, numbered I to IV, are fairly stated.

Michael Zammit Cutajar
Executive Secretary
Secretariat of the UNFCCC

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II. FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD OF THE BIENNIUM 2000-2001 ENDED 31 DECEMBER 2000

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Statement of income and expenditure and changes in reserves and fund balances
for the twelve-month period of the biennium 2000-2001, ended 31 December 2000

(United States dollars)

Statement I

	Schedule or note reference	Trust fund for the core budget of the UNFCCC (FC)		Trust fund for participation in the UNFCCC process (FI)		Trust fund for supplementary activities (FR)		Trust fund for special annual contribution from the Government of Germany (FQ)	
		2000	1998	2000	1998	2000	1998	2000	1998
INCOME									
Indicative contributions	Note 2 (i)	11 187 186	9 389 472	-	-	-	-	-	-
Voluntary contributions	Note 2 (ii)	713 630	906 521	1 808 147	1 014 685	2 316 583	1 670 918	1 653 139	1 949 997
Other/Miscellaneous income									
Interest income	Note 2 (iii)	591 495	256 187	31 777	57 577	210 420	97 703	58 691	17 284
Miscellaneous	Note 2 (iv)	25 401	342	77 033	-	4 304	-	-	9 842
Total income		**12 517 712**	**10 552 522**	**1 916 957**	**1 072 262**	**2 531 307**	**1 768 621**	**1 711 830**	**1 977 123**
EXPENDITURE									
Staff and other personnel costs		6 649 248	5 663 237	-	-	605 153	677 239	589 327	509 392
Travel		796 300	595 697	1 987 334	1 420 014	1 006 947	181 169	20 643	426 951
Contractual services		417 468	67 792	-	-	45 724	20 676	-	-
Operating expenses		600 968	321 302	1 990	2 519	106 183	70 778	910 574	756 666
Acquisitions		430 081	132 916	-	-	10 561	2 962	13 920	-
Fellowships grants and other		974 228	819 999	-	-	103 305	160 950	-	10 000
Total direct expenditure		9 868 293	7 600 943	1 989 324	1 422 533	1 877 873	1 113 774	1 534 464	1 703 009
Programme support costs		1 282 878	986 721	258 612	184 602	244 123	141 356	195 130	221 391
Total expenditure		**11 151 171**	**8 587 664**	**2 247 936**	**1 607 135**	**2 121 996**	**1 255 130**	**1 729 594**	**1 924 400**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Statement of income and expenditure and changes in reserves and fund balances
for the twelve-month period of the biennium 2000-2001 ended 31 December 2000
(United States dollars)

Statement I *(Continued)*

	Schedule or note reference	Trust fund for the core budget of the UNFCCC (FC)		Trust fund for participation in the UNFCCC process (FI)		Trust fund for supplementary activities (FR)		Trust fund for special annual contribution from the Government of Germany (FQ)	
		2000	1998	2000	1998	2000	1998	2000	1998
Prior period's adjustments	Note 4	73 396	24 899	75 523	105 817	17 838	12 779	32 624	-
Net excess (shortfall) cf income over expenditure		**1 439 937**	**1 989 757**	**(255 456)**	**(429 056)**	**427 149**	**526 270**	**14 860**	**52 723**
Transfers (to) from reserves and other funds		-	-	-	-	-	(934 384)	-	934 384
Refund to donors		-	-	-	-	-	-	(320 312)	(313 427)
Savings on prior period's obligations	Note 2 (e)	564 587	169 126	111 898	588 716	137 215	98 301	250 953	-
Reserves and fund balances beginning of period		8 152 548	4 056 685	477 481	1 037 117	2 245 666	2 094 784	638 590	-
Reserves and fund balances: end of period		**10 157 072**	**6 215 568**	**333 923**	**1 196 777**	**2 810 030**	**1 784 971**	**584 091**	**673 680**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Statement of income and expenditure and changes in reserves and fund balances for the twelve-month period of the biennium 2000-2001 ended 31 December 2000

(United States dollars)

Statement I *(Continued)*

	Schedule or note reference	Trust fund for UNFCCC technical cooperation (UNFIP) (FU)		Trust fund for conference and other recoverable costs (ZG)		Total	
		2000	1998	2000	1998	2000	1998
INCOME:							
Indicative contributions	Note 2 (i)	-	-	-	-	11 187 186	9 389 472
Voluntary contributions	Note 2 (ii)	932 765	-	1 525 363	-	8 949 627	5 542 121
Other/Miscellaneous income							
Interest income	Note 2 (iii)	6 470	-	-	-	898 853	28 751
Miscellaneous	Note 2 (iv)	-	-	-	-	106 738	10 184
Total income		**939 235**	-	**1 525 363**	-	**21 142 404**	**15 370 528**
EXPENDITURE:							
Staff and other personnel costs		-	-	43 117	-	7 886 845	6 849 868
Travel		-	-	828 940	-	4 640 164	2 623 831
Contractual services		-	-	-	-	463 192	88 468
Operating expenses		-	-	69 975	-	1 689 690	1 151 265
Acquisitions		-	-	23 642	-	478 204	135 878
Fellowships grants and other		-	-	-	-	1 077 533	990 949
Total direct expenditure		-	-	965 674	-	16 235 628	11 840 259
Programme support costs		-	-	43 856	-	2 024 599	1 534 070
Total expenditure		-	-	**1 009 530**	-	**18 260 227**	**13 374 329**
Prior period's adjustments		-	-	-	-	199 381	143 495

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Statement of income and expenditure and changes in reserves and fund balances for the twelve-month period of the biennium 2000-2001 ended 31 December 2000

(United States dollars)

Statement I *(Continued)*

	Schedule or note reference	Trust fund for UNFCCC technical cooperation (UNFIP) (FU)		Trust fund for conference and other recoverable costs (ZG)		Total	
		2000	1998	2000	1998	2000	1998
Net excess (shortfall) of income over expenditure		**939 235**	**-**	**515 833**	**-**	**3 081 558**	**2 139 694**
Transfers (to) from reserves and other funds		-	-	-	-	-	-
Refund to donors		-	-	-	-	(320 312)	(313 427)
Savings on prior period's obligations	Note 2 (e)	-	-	-	-	1 064 653	856 143
Reserves and fund balances beginning of period		-	-	-	-	11 514 285	7 188 586
Reserves and fund balances end of period		**939 235**	**-**	**515 833**	**-**	**15 340 184**	**9 870 996**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

Statement of assets, liabilities, reserves and fund balances as at 31 December 2000

(United States dollars)

Statement II

	Schedule or note reference	Trust fund for the core budget of the UNFCCC (FC)		Trust fund for participation in the UNFCCC process (FI)		Trust fund for supplementary activities (FR)		Trust fund for special annual contribution from the Government of Germany (FQ)	
		2000	1998	2000	1998	2000	1998	2000	1998
ASSETS									
Cash and term deposits	Note 2 (f) 5	10 208 195	2 760 044	1 810 301	2 005 757	3 664 070	2 010 138	791 243	1 403 625
Accounts receivable:									
Indicative contributions receivable from Member States	Sched. 1.1	928 751	3 251 894	-	-	-	-	-	-
Inter-fund balances receivable		500 977	578 491	-	-	-	49 772	208 057	-
Other accounts receivable	Note 6	737 354	884 589	179 287	8 386	1 920	3 018	426	6 576
Operating funds provided to executing agencies		-	-	-	600 000	-	50 000	-	-
Total assets		**12 375 277**	**7 475 018**	**1 989 588**	**2 614 143**	**3 665 990**	**2 112 928**	**999 726**	**1 410 201**
LIABILITIES									
Contributions/Payments received in advance	Sched. 1.1	776 221	-	-	-	-	-	-	-
Unliquidated obligations		1 018 241	927 042	1 183 985	969 308	355 565	141 917	415 635	618 665
Accounts payable									
Inter-fund balances payable		-	-	471 680	442 445	210 395	-	-	67 032
Other accounts payable	Note 7	423 743	332 408	-	5 613	290 000	186 040	-	50 824
Total liabilities		**2 218 205**	**1 259 450**	**1 655 665**	**1 417 366**	**855 960**	**327 957**	**415 635**	**736 521**
RESERVES AND FUND BALANCES									
Operating reserve	Note 8	-	-	298 399	142 001	281 681	163 103	225 150	255 451
Working capital reserve	Note 8	819 068	629 983	-	-	-	-	-	-

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

Statement of assets, liabilities, reserves and fund balances as at 31 December 2000

Statement II *(Continued)*

(United States dollars)

	Schedule or note reference	Trust fund for the core budget of the UNFCCC (FC)		Trust fund for participation in the UNFCCC process (FI)		Trust fund for supplementary activities (FR)		Trust fund for special annual contribution from the Government of Germany (FQ)	
		2000	1998	2000	1998	2000	1998	2000	1998
Reserve for allocations		-	-	-	-	-	-	-	-
Cumulative surplus (deficit)		9 338 004	5 585 585	35 524	1 054 776	2 528 349	1 621 868	358 941	418 229
Total reserves and fund balances		**10 157 072**	**6 215 568**	**923**	**1 196 777**	**2 810 030**	**1 784 971**	**584 091**	**673 680**
Total liabilities, reserves and fund balances		**12 375 277**	**7 475 018**	**1 989 588**	**2 614 143**	**3 665 990**	**2 112 928**	**999 726**	**1 410 201**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

Statement of assets, liabilities, reserves and fund balances as at 31 December 2000

(United States dollars)

Statement II *(Continued)*

	Schedule or note reference	Trust fund for UNFCCC technical cooperation (UNFIP) (FU)		Trust fund for conference and other recoverable costs (ZG)		Total	
		2000	1998	2000	1998	2000	1998
ASSETS							
Cash and term deposits	Note 2 (f) 5	300 000	-	-	-	16 773 809	8 179 564
Accounts receivable:							
Assessed contributions receivable from Member States	Sched. 1.1	-	-	-	-	928 751	3 251 894
Inter-fund balances receivable		29 756	-	953 060	-	1 691 850	628 263
Other accounts receivable	Note 6	215	-	-	-	919 202	902 569
Operating funds provided to executing agencies		609 264	-	-	-	609 264	650 000
Total assets		**939 235**	-	**953 060**	-	**20 922 876**	**13 612 290**
LIABILITIES							
Contributions/Payments received in advance	Sched. 1.1	-	-	-	-	776 221	-
Unliquidated obligations		-	-	393 371	-	3 366 797	2 656 932
Accounts payable:							
Inter-fund balances payable		-	-	-	-	682 075	509 477
Other accounts payable	Note 7	-	-	43 856	-	757 599	574 885
Total liabilities		-	-	**437 227**	-	**5 582 692**	**3 741 294**
RESERVES AND FUND BALANCES							
Operating reserve	Note 8	-	-	-	-	805 230	560 555
Working capital reserve	Note 8	-	-	-	-	819 068	629 983
Reserve for allocations		609 264	-	-	-	609 264	-
Cumulative surplus (deficit)		329 971	-	515 833	-	13 106 622	8 680 458
Total reserves and fund balances		**939 235**	-	**515 833**	-	**15 340 184**	**9 870 996**
Total liabilities, reserves and fund balances		**939 235**	-	**953 060**	-	**20 922 876**	**13 612 290**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

Statement of cash flows for the twelve-month period of the biennium 2000 – 2001, ended 31 December 2000

(United States dollars)

Statement III

	FC		FI		FR		FQ		FU	ZG
	2000	1998	2000	1998	2000	1998	2000	1998	2000	2000
CASH FLOWS FROM OPERATING ACTIVITIES:										
Net excess (shortfall) of income over expenditures (Statement I)	1 439 937	1 289 470	(255 456)	(429 056)	427 149	526 270	14 860	52 723	939 235	515 833
(Increase) decrease in contributions receivable	262 900	(1 915 965)	-	-	-	-	-	(6 576)	-	-
(Increase) decrease in other accounts receivable	(89 028)	89 765	(163 391)	(7 586)	81 288	159 687	84 243	-	(215)	-
(Increase) decrease in other assets	35 516	-	536 628	(600 000)	-	(50 000)	-	-	(609 264)	-
Increase (decrease) in contributions received in advance	361 523	676 084	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	56 646	27 881	-	(273 963)	(17 612)	167 373	-	50 824	-	43 856
Increase (decrease) in unliquidated obligations	(694 589)	(279 684)	30 949	(160 892)	193 455	19 499	(363 336)	618 665	-	393 371
Less: Interest income received	(591 495)	(256 187)	(31 777)	(57 577)	(210 420)	(97 703)	(58 691)	(17 284)	(6 470)	-
Net cash from operating activities	**781 410**	**(368 636)**	**116 953**	**(1 529 074)**	**473 860**	**725 126**	**(322 924)**	**698 352**	**323 286**	**953 060**
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES:										
(Increase) decrease in inter-fund balances receivable	(486 662)	(376 901)	-	1 555 988	-	(88 279)	(208 057)	-	(29 756)	(953 060)

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

Statement of cash flows for the twelve-month period of the biennium 2000 – 2001, ended 31 December 2000

(United States dollars)

Statement III *(Continued)*

	FC		FI		FR		FQ		FU	ZG
	2000	**1998**	**2000**	**1998**	**2000**	**1998**	**2000**	**1998**	**2000**	**2000**
Increase (decrease) in inter-fund balances payable	-	-	(76 612)	-	187 829	-	(54 347)	67 032	-	-
Plus: Interest on income received	591 495	256 187	31 777	57 577	210 420	97 703	58 691	17 284	6 470	-
Net cash from investing and financing activities	**104 833**	**(120 714)**	**(44 835)**	**1 613 565**	**398 249**	**9 424**	**(203 713)**	**84 316**	**(23 286)**	**(953 060)**
CASH FLOWS FROM OTHER SOURCES:										
Savings on prior period's obligations	564 587	169 126	111 898	588 716	137 215	98 301	250 953	-	-	-
Other adjustments to fund balance	-	-	-	-	-	(934 384)	(320 312)	620 957	-	-
Net cash from other sources	**564 587**	**169 126**	**111 898**	**588 716**	**137 215**	**(836 083)**	**(69 359)**	**620 957**	**-**	**-**
Net increase (decrease) in cash and term deposits	**1 450 830**	**(320 224)**	**184 016**	**673 207**	**1 009 324**	**(101 533)**	**(595 996)**	**1 403 625**	**300 000**	**-**
Cash and term deposits at beginning of period	**8 757 365**	**3 080 268**	**1 626 285**	**1 332 550**	**2 654 746**	**2 111 671**	**1 387 239**	**-**	**-**	**-**
Cash and term deposits at end of period	**10 208 195**	**2 760 044**	**1 810 301**	**2 005 757**	**3 664 070**	**2 010 138**	**791 243**	**1 403 625**	**300 000**	**-**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGES

The Core Budget: Statement of appropriations for the year ending 31 December 2000

(United States dollars)

Statement IV

Budget Classification	Approved budget	Expenditures			Balance
		Disbursements	Unliquidated obligations	Total	
Executive Direction and Management	749 530	532 534	52 551	585 085	164 445
Planning Coordination and Emerging Issues (Coordination and Management)	446 890	233 381	1 785	235 166	211 724
Cooperative mechanisms	494 000	150 032	9 566	159 598	334 402
Emissions trading	291 700	217 701	7 830	225 531	66 169
sub-total	**1 232 590**	**601 114**	**19 181**	**620 295**	**612 295**
Science & Technology (Coordination & Management)	937 880	816 503	17 157	833 660	104 220
Methodology and Science	872 600	572 347	15 887	588 234	284 366
Technology	510 100	325 508	2 766	328 274	181 826
sub-total	**2 320 580**	**1 714 358**	**35 810**	**1 750 168**	**570 412**
Implementation (Coordination and Management)	522 210	388 700	7 132	395 832	126 378
Implementation Process	628 000	384 635	4 588	389 223	238 777
Annex 1 Implementation	928 300	637 754	14 776	652 530	275 770
Non-Annex 1 Implementation	1 047 400	656 031	86 779	742 810	304 590
sub-total	**3 125 910**	**2 067 120**	**113 275**	**2 180 395**	**945 515**
Information Outreach and Administrative Services (Coordination and Management)	398 520	322 783	8 588	331 371	67 149
Information Support	949 600	752 158	28 109	780 267	169 333
Outreach	198 380	135 526	4 905	140 431	57 949
sub-total	**1 546 500**	**1 210 467**	**41 602**	**1 252 069**	**294 431**
Intergovernmental and Conference Affairs (Coordination and Management)	383 200	316 999	21 708	338 707	44 493
Intergovernmental and Legal Affairs	316 600	218 324	6 613	224 937	91 663
Conference Support	757 800	621 250	76 106	697 356	60 444
Secretariat-wide costs	1 295 000	960 631	554 731	1 515 362	(220 362)
sub-total	**2 752 600**	**2 117 204**	**659 158**	**2 776 362**	**(23 762)**
Preparation for COP 6	884 956	607 253	96 664	703 917	181 039
Total	**12 612 666**	**8 850 050**	**1 018 241**	**9 868 291**	**2 744 375**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1

Trust fund for the core budget of the UNFCCC (FC) **Member States**	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Albania	100	-	325	-	-	425
Algeria	14 389	-	9 329	23 718	-	-
Antigua and Barbuda	-	1 536	217	-	1 319	-
Argentina	106 428	-	119 643	106 401	-	119 670
Armenia	3 421	-	651	-	-	4 072
Australia	-	102 247	160 862	58 554	-	61
Austria	4	-	102 180	102 180	-	4
Azerbaijan	23 732	-	1 193	-	-	24 925
Bahamas	-	5 250	1 627	-	3 623	-
Bahrain	1 065	-	1 844	-	-	2 909
Bangladesh	3 248	-	1 085	-	-	4 333
Barbados	727	-	868	1 880	285	-
Belgium	114 596	-	119 752	114 619	-	119 729
Belize	196	-	108	414	110	-
Benin	-	780	217	-	563	-
Bhutan	-	953	108	-	845	-
Bolivia	1 254	-	759	-	-	2 013
Botswana	-	42	1 085	-	-	1 043
Brazil	-	87	159 561	136 579	-	22 895
Bulgaria	-	3 765	1 193	-	2 572	-
Burkina Faso	377	-	217	-	-	594
Burundi	759	-	108	-	-	867
Cambodia	1 407	-	108	-	-	1 515
Cameroon	3 897	-	1 410	-	-	5 307
Canada	-	-	296 343	296 343	-	-

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Trust fund for the core budget of the UNFCCC (FC) **Member States**	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Cape Verde	1 661	-	217	-	-	1 878
Central African Republic	1 642	-	108	-	-	1 750
Chad	1 561	-	108	-	-	1 669
Chile	16 318	-	14 752	35 355	4 285	-
China	45	-	107 929	139 237	31 263	-
Colombia	-	2 597	11 823	12 650	3 424	-
Comoros	1 561	-	108	-	-	1 669
Congo	1 293	-	325	-	-	1 618
Congo Democratic Republic of	1 402	-	759	2 151	-	10
Cook Islands	-	-	108	-	-	108
Costa Rica	4 462	-	1 736	4 421	-	1 777
Cote d'Ívoire	3 312	-	976	-	-	4 288
Croatia	-	41	3 254	4 198	985	-
Cuba	2 801	-	2 603	8 373	2 969	-
Cyprus	-	34	3 688	7 402	3 748	-
Czech Republic	-	2 025	11 606	12 912	3 331	-
Denmark	25	-	75 062	75 062	-	25
Djibouti	196	-	108	340	36	-
Dominica	1 561	-	108	-	-	1 669
Dominican Republic	1 592	-	1 627	-	-	3 219
Ecuador	2 079	-	2 169	4 247	-	1
Egypt	12 575	-	7 051	19 626	-	-
El Salvador	3 470	-	1 302	-	-	4 772

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Trust fund for the core budget of the UNFCCC (FC) **Member States**	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Eritrea	-	953	108	-	845	-
Estonia	-	128	1 302	1 174	-	-
Ethiopia	2 579	-	651	-	-	3 230
European Community	-	-	270 904	270 904	-	-
Fiji	-	16	434	-	-	418
Finland	-	23 161	58 900	52 818	17 079	-
France	-	-	709 942	915 789	205 847	-
Gabon	1 559	-	1 627	-	-	3 186
Gambia	-	-	108	-	-	108
Georgia	14 531	-	759	-	-	15 290
Germany	-	1	1 069 198	1 069 197	-	-
Ghana	-	7	759	-	-	752
Greece	27 519	-	38 073	65 592	-	-
Grenada	1 561	-	108	-	-	1 669
Guatemala	3 473	-	1 952	5 425	-	-
Guinea	1 930	-	325	-	-	2 255
Guinea-Bissau	1 509	-	108	-	-	1 617
Guyana	1 561	-	108	-	-	1 669
Haiti	377	-	217	-	-	594
Honduras	1 962	-	325	-	-	2 287
Hungary	6 972	-	13 017	19 988	-	1
Iceland	-	25	3 471	6 950	3 504	-
India	76	-	32 433	31 053	-	1 456
Indonesia	18 178	-	20 393	36 384	-	2 187
Iran Islamic Republic of	84 862	-	17 464	34 532	-	67 794

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Trust fund for the core budget of the UNFCCC (FC) **Member States**	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Ireland	-	2 303	24 297	29 006	7 012	-
Israel	13 848	-	37 965	62 861	11 048	-
Italy	10 011	-	589 757	589 757	-	10 011
Jamaica	-	5 860	651	-	5 209	-
Japan	-	67 436	2 231 573	2 231 573	67 436	-
Jordan	-	25	651	840	214	-
Kazakhstan	44 627	-	5 207	-	-	49 834
Kenya	1 318	-	759	2 304	227	-
Kiribati	196	-	108	-	-	304
Korea Democratic People's Republic of	11 415	-	1 627	-	-	13 042
Korea Republic of	-	104 596	109 122	115 421	110 895	-
Kuwait	10 701	-	13 884	-	-	24 585
Lao People's Democratic Republic	-	953	108	-	845	-
Latvia	-	2 781	1 844	937	1 874	-
Lebanon	67	-	1 736	2 229	426	-
Lesotho	-	421	217	-	204	-
Libyan Arab Jamahiriya	4 301	-	13 450	-	-	17 751
Liechtenstein	-	25	651	840	214	-
Lithuania	-	2 796	1 627	465	1 634	-
Luxembourg	39	-	7 376	9 514	2 099	-
Macedonia, former Yugoslav Republic of	416	-	434	-	-	850
Madagascar	107	-	325	548	116	-
Malawi	577	-	217	-	-	794

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Trust fund for the core budget of the UNFCCC (FC) **Member States**	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Malaysia	17 339	-	19 850	17 337	-	19 852
Maldives	-	953	108	639	1 484	-
Mali	1 826	-	217	-	-	2 043
Malta	1 506	-	1 519	-	-	3 025
Marshall Islands	-	196	108	-	88	-
Mauritania	1 561	-	108	-	-	1 669
Mauritius	-	1 297	976	671	992	-
Mexico	37 769	-	107 929	137 968	-	7 730
Micronesia	-	688	108	-	580	-
Moldova, Republic of	17 036	-	1 085	-	-	18 121
Monaco	-	480	434	97	143	-
Mongolia	-	968	217	741	1 492	-
Morocco	-	21	4 447	-	-	4 426
Mozambique	-	872	108	-	764	-
Myanmar	-	34	868	1 716	882	-
Namibia	-	431	759	1 100	772	-
Nauru	196	-	108	-	-	304
Nepal	2 118	-	434	2 695	143	-
Netherlands	4	-	177 025	177 029	-	-
New Zealand	46	-	23 972	48 362	24 344	-
Nicaragua	352	-	108	1 396	936	-
Niger	1 742	-	217	-	-	1 959
Nigeria	-	13 830	3 471	-	10 359	-
Niue	-	283	108	-	175	-
Norway	39	-	66 167	66 181	-	25

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Trust fund for the core budget of the UNFCCC (FC) Member States	Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Oman	2	-	5 532	12 758	7 224	-
Pakistan	10 469	-	6 400	-	-	16 869
Panama	-	483	1 410	1 300	373	-
Papua New Guinea	-	29	759	1 482	752	-
Paraguay	4 001	-	1 519	-	-	5 520
Peru	34	-	10 739	-	-	10 773
Philippines	14 809	-	8 786	11 636	-	11 959
Poland	-	15 457	21 260	33 487	27 684	-
Portugal	74 377	-	46 751	134 756	13 628	-
Qatar	-	10	3 580	-	-	3 570
Romania	47	-	6 074	7 836	1 715	-
Russian Federation	-	11 221	116 823	117 600	11 998	-
Rwanda	129	-	108	-	-	237
Saint Kitts and Nevis	-	953	108	-	845	-
Saint Lucia	-	1 906	108	-	1 798	-
Saint Vincent and the Grenadines	696	-	108	-	-	804
Samoa	-	-	108	-	-	108
San Marino	-	772	217	-	555	-
Saudi Arabia	208 023	-	60 961	108 984	-	160 000
Senegal	2 494	-	651	-	-	3 145
Seychelles	-	557	217	-	340	-
Sierra Leone	1 561	-	108	-	-	1 669
Singapore	20	-	19 416	25 040	5 604	-

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Member States	Trust fund for the core budget of the UNFCCC (FC) Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
Slovakia	-	632	3 796	7 022	3 858	-
Slovenia	-	21	6 617	8 535	1 939	-
Solomon Islands	-	-	108	-	-	108
South Africa	-	65	39 700	39 700	65	-
Spain	-	33	281 048	362 538	81 523	-
Sri Lanka	2 344	-	1 302	3 646	-	-
Sudan	2 851	-	759	-	-	3 610
Suriname	753	-	434	-	-	1 187
Swaziland	-	772	217	-	555	-
Sweden	-	25 061	117 040	91 963	-	16
Switzerland	-	7	131 792	170 005	38 220	-
Syrian Arab Republic	11 881	-	6 942	-	-	18 823
Tajikistan	520	-	434	-	-	954
Thailand	56	-	18 440	18 496	-	-
Togo	1 642	-	108	-	-	1 750
Tonga	118	-	108	-	-	226
Trinidad and Tobago	3 285	-	1 736	6 825	1 804	-
Tunisia	1 937	-	3 037	-	-	4 974
Turkmenistan	2 097	-	651	-	-	2 748
Tuvalu	1 561	-	108	1 699	30	-
Uganda	-	1 447	434	-	1 013	-
Ukraine	71 327	-	20 609	91 911	-	25
United Arab Emirates	12 341	-	19 308	-	-	31 649
United Kingdom of Great Britain and Northern Ireland	20	-	552 334	568 602	16 248	-
United Republic of Tanzania	1 655	-	325	-	-	1 980

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of indicative contributions as at 31 December 2000

(United States dollars)

Schedule 1.1 *(Continued)*

Member States	Trust fund for the core budget of the UNFCCC (FC) Indicative contributions receivable as at 01.01.2000	Contributions received in advance as at 01.01.2000	Indicative contributions for 2000 and adjustment of prior periods	Collections 2000	Indicative contributions received in advance for 2001	Indicative contributions receivable as at 31.12.2000
United States of America	-	-	2 711 774	2 711 774	-	-
Uruguay	4 676	-	5 207	-	-	9 883
Uzbekistan	-	4 072	2 712	-	1 360	-
Vanuatu	1 561	-	108	-	-	1 669
Venezuela	59 355	-	17 355	94 560	17 850	-
Viet Nam	-	-	759	759	-	-
Yemen	2 992	-	1 085	-	-	4 077
Yugoslavia	9 229	-	2 820	-	-	12 049
Zambia	1 826	-	217	-	-	2 043
Zimbabwe	-	303	976	-	-	673
Total	**1 191 651**	**414 698**	**11 187 186**	**11 811 609**	**776 221**	**928 751**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of voluntary contributions as at 31 December 2000

(United States dollars)

Schedule 1.2

Trust Funds/Countries	Voluntary contributions received in 2000
I. Trust Fund for the core budget of the UNFCCC (FC)	
Germany	713 630
Total	**713 630**
II. Trust Fund for participation in UNFCCC process (FI)	
Canada	103 306
European Community	178 720
Japan	260 000
Netherlands	140 000
Sweden	49 281
United Kingdom	251 840
United States	825 000
Total	**1 808 147**
III. Trust Fund for supplementary activities(FR)	
Australia	32 500
Bahrain	1 857
Canada	136 656
Finland	80 226
Ireland	5 150
Japan	200 000
Monaco	883
Netherlands	235 000
Norway	123 685
United Kingdom	157 400
United States	1 343 226
Total	**2 316 583**
IV. Trust Fund for special annual contribution from the Government of Germany (FQ)	
Germany	1 653 139
Total	**1 653 139**

UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE

Status of voluntary contributions as at 31 December 2000

(United States dollars)

Schedule 1.2 *(Continued)*

V. Trust Fund for UNFCCC Technical Cooperation (UNFIP) (FU)	
Subventions	
UNFIP	932 765
Total	**932 765**
VI. Trust Fund for Conference and other Recoverable Costs (ZG)	
France	424 351
Germany	126 891
Netherlands	974 121
Total	**1 525 363**
Grand Total	**8 949 627**

III. NOTES TO THE FINANCIAL STATEMENT

Note 1. Statement of Purpose

The secretariat of the United Nations Framework Convention on Climate Change was established on 1 January 1996 with the following purposes:

- To make arrangements for sessions of the Conference of the Parties (COP) and its subsidiary bodies established under the Convention and to provide them with services, as required;
- To compile and transmit reports submitted to it;
- To facilitate assistance to the affected developing country Parties, on request, particularly those in Africa, in the compilation and communication of information required under the Convention;
- To coordinate its activities with the secretariats of other relevant international bodies and conventions;
- To enter, under the guidance of the Conference of the Parties, into such administrative and contractual arrangements as may be required for the effective discharge of its functions;
- To prepare reports on the executions of its functions under this Convention and present them to the Conference of the Parties; and
- To perform such other secretariat functions as may be determined by the Conference of the Parties.

Note 2. Accounting Policies

The following are the significant accounting policies of the United Nations Framework Convention on Climate Change (UNFCCC):

(a) Rules and procedures

The accounts of the Convention are maintained in accordance with the Financial Regulations of the United Nations, its own Financial Rules and in conformity with the United Nations System Common Accounting Standards (A/48/530) as recognized by General Assembly resolution 48/216 C of 23 December 1993 and subsequent revisions.

Under the financial procedures adopted by the Conference of the Parties, the Executive Secretary prepares the administrative core budget for the following biennium and submits it to the COP for its consideration and approval. The approved budget constitutes authority to the Executive Secretary to issue allotments, incur obligations and make payments for the purposes for which the appropriations were approved. The COP approved a core budget of US$ 12.6 million, out of which the equivalent of DM 1.5 million was paid by the host Government. The remaining amount is raised by all Parties, who are invited to make contributions based on an adjusted United Nations scale of assessment.

(b) Accounting convention

The accounts are prepared on the historical cost basis, modified to the extent that the cost of all property acquired is charged as an expense in the year of purchase except for the period under review where property donated in kind by the host Government was valued using the average United Nations rate of exchange in 2000.

UNFCCC's normal accounting period is a biennium consisting of two consecutive calendar years.

The UNFCCC's accounts are maintained on a 'fund accounting' basis. Separate funds for general or special purposes may be established by the Conference of the Parties or the Executive Secretary. Each fund is maintained as a distinct financial and accounting entity, with a separate self-balancing double-entry group of accounts.

(c) Contingent liabilities

The expenditures do not include possible costs to cover contingencies under Appendix D to the United Nations staff rules for personnel financed under resources obtained from contributions.

(d) Income tax refund policy

The UNFCCC salaries are charged to the budget on a net basis during the year in which the services have been rendered. Income tax refunds are charged to the year in which they are made to the staff member.

(e) Unliquidated obligations

Unliquidated obligations are expenditures based on firm obligations entered into, but not disbursed, in the financial period. Unliquidated obligations for the current period in respect of all UNFCCC activities remain valid for 12 months following the end of the period to which they relate.

All unliquidated prior period's obligations as at 31 December are recorded as saving on prior period's obligations.

(f) Cash and term deposits

Funds on deposit in interest bank accounts, time deposits and call accounts are shown in the statements of assets and liabilities as cash. All term deposits are placed in line with the United Nations investments policies and guidelines.

(g) Income

(i) Assessed contributions from Party members

Income from assessed contributions is recognized on an accrual basis based on the budget approved by the Conference of the Parties.

(ii) Voluntary contributions

Voluntary contributions to UNFCCC trust funds are recorded as income when received, which include funds received under Inter-Organization arrangements.

(iii) Interest income

Interest income is based only on amounts received and accrued from cash and term deposits relating to the financial period. Interest due from cash and term deposits made in the financial period but not maturing until future periods is recorded as accounts receivable.

(iv) Miscellaneous income

Refunds of expenditures charged to prior financial periods, net gains on exchange, moneys accepted for which no purpose is specified and proceeds from the sale of surplus property are credited to miscellaneous income.

(v) Contributions

All contributions to Secretariat's activities are deposited with United Nations Office in Geneva. UNFCCC operates an imprest account in Deutsche Mark to cover its expenditure in Bonn. Reports on the utilization of the imprest account are submitted to UNOG on a regular basis.

(h) Translation of currencies

The financial statements of the UNFCCC are presented in United States dollars which is the currency best suited to its operations. As per United Nations Accounting standards, transactions in other currencies are recorded in United States dollars by applying the United Nations operational rate of exchange at the time of the transaction. Realised exchange loss is charged to the appropriate budgetary account.

Note 3. Trust Fund expenditures

The total expenditure of US$ 18 260 227 in Statement I includes exchange loss of $33 464 in the operating expenses.

Note 4. Prior period adjustments

This represents US$ 138 405, adjustments of programme support costs relating to saving of 1999, unliquidated obligations of $1 064 653, and $60 976, the contribution from the Government of Sweden received in 1999, but not identified for the trust fund FI.

Note 5. Cash and term deposits

(United States dollars)

Deposits	**as at 31 December 2000**
Imprest – Bonn	901 130
Imprest – Meetings/Conferences	1 660 091
Interest-bearing bank deposits maturing within twelve months	14 212 588
Total	**16 773 809**

Note 6. Other accounts receivable

(United States dollars)

Other accounts receivable	**as at 31 December 2000**
Education grant advances	143 805
Travel advances	253 159
Salary advances	95 751
Value added tax	21 232
Accrued interest receivable	47 963
Miscellaneous expenses pending distribution	72 617
Others *	284 675
Total	**919 202**

* *including $ 270.63, representing the contributions received in December, but credit advices were received in 2001. This amount was cleared upon receipt of credit advices.*

Note 7. Other accounts payable

(United States dollars)

Other accounts payable	**as at 31 December 2000**
Local staff salaries – Bonn	183 621
International staff salaries – DM portion	99 627
Reserve for contingencies under Appendix D *	91 127
Miscellaneous payables	150 000
Others	93 224
Total	**617 599**

* *pending administrative decision as to how to cover contingent liabilities*

Note 8. Operating and Working Capital Reserve

Except for two newly-established trust funds (FU and ZG) reserves are established at 15% and 8.3% of the total expenditure under the voluntary trust funds and core budget respectively, to cover unforeseen shortfall, uneven cash flows, unplanned costs and other final contingencies. In 2000 there was no need to draw down on the operating reserves and therefore the level of reserve was reported as being US$ 805 230 (operating reserve) and US$ 819 068 (working capital reserve) (Statement II).

Note 9. Programme Support

The United Nations retains 13% of the actual expenditures of all established UNFCCC trust funds for programme support subject to specific exceptions made by the Controller. When a project is shared between UNFCCC and another United Nations agency programme support charges are also shared accordingly between both organizations with the combined amount not exceeding 13%. In 2000 an amount of US$ 2 024 599 has been reported as programme support (Statement I)

Note 10. Non-expendable inventory

The inventory of non- expendable property as at 31 December 2000 includes furniture and equipment valued at acquisition cost of DM 2 022 614.

Note 11. Disclosure as to participation in the United Nations Joint Staff Pension Fund

UNFCCC is a member organization participating in the United Nations Joint Staff Pension Fund which was established by the United Nations General Assembly to provide retirement death disability and related benefits. The financial obligation of the organization to the United Nations Joint Pension Fund consists of its mandated contribution at the rate established by the United Nations General Assembly together with its share of any actuarial deficiency payments that might become payable pursuant to article 36 of the regulations of the United Nations Joint Staff Pension Fund.

Note 12. Other donations in kind

There was no donation in kind reported during the period.

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UNITED NATIONS

UNFCCC Framework Convention on Climate Change

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5 October 2001

ENGLISH ONLY

SUBSIDIARY BODY FOR IMPLEMENTATION
Fifteenth session
Marrakesh, 29 October - 9 November 2001
Item 5 (c) of the provisional agenda

NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

ROSTER OF EXPERTS TO PARTICIPATE IN IN-DEPTH REVIEWS

Note by the secretariat

1. The secretariat has concluded reviews of the second national communications of Parties included in Annex I to the Convention. It is assumed that in-depth reviews of the third national communications, which according to decision 11/CP.4, are due by 30 November 2001, will start in 2002. In accordance with decision 9/CP.2, the reviews will be carried out by teams coordinated by the secretariat (see FCCC/CP/1996/15/Add.1).

2. Experts participating in the in-depth reviews should be nominated by Parties and intergovernmental organizations. The roster of experts was last updated in 1998 and many experts nominated by their respective governments may have changed their position since then. Updating of the roster in 2001 would enable the secretariat to be better prepared for the review of the third national communications.

3. Parties are invited to nominate experts for the roster. Parties and international organizations are kindly reminded that nominations should be submitted to the secretariat through the official channels of communication and using the attached nomination form (see annex below). The completed nomination form, giving information on area of expertise and language proficiency, as well as a detailed curriculum vitae, is essential to the selection process. The experts nominated are encouraged to be as specific as possible, when defining their areas of expertise. This will enable the secretariat to ensure an equitable distribution of skills and

knowledge as well as geographical balance in the review teams, and will also contribute to the proper conduct of the reviews.

4. If any assistance or further information is required, please contact Mr. Vitaly Matsarski by telephone (49-228) 815-1405, or by fax (49-228) 815-1499, or by e-mail: vmatsarski@unfccc.int or Ms Claudia Roy-Bardy by telephone (49-228) 815-1417, or by fax (49-228) 815-1499, or by e-mail: croy-bardy@unfccc.int.

Annex

NOMINATION FORM

**FOR THE NOMINATION OF EXPERTS
TO PARTICIPATE IN THE IN-DEPTH REVIEW OF
NATIONAL COMMUNICATIONS FROM ANNEX I PARTIES**

Nominated by the Government of:	
Name of expert:	
Nationality/mother tongue of expert:	
Position/Title of expert:	
Contact address of expert:	
Contact telephone no.:	
Fax no.:	
E-mail address:	

AREAS OF EXPERTISE

(Please check boxes as appropriate)

General climate change response policy	
Projections of greenhouse gas emissions and removals	
Analysis of policies and measures	
Finance and technology transfer	
Other (please specify)	

LANGUAGE PROFICIENCY

(United Nations official languages of Parties included in Annex I to the Convention)

(Please check boxes as appropriate)

	READ		WRITE		SPEAK		UNDERSTAND	
	Easily	Not easily	Easily	Not easily	Easily	Not easily	Easily	Not easily
ENGLISH								
FRENCH								
RUSSIAN								
SPANISH								

PLEASE ATTACH CURRICULUM VITAE

- - - - -

UNITED NATIONS

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NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

THIRD NATIONAL COMMUNICATIONS: REVIEW AND THE ROSTER OF EXPERTS

Status report on in-depth reviews

Note by the secretariat

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GE.01-65433

I. INTRODUCTION

A. Mandate

1. In accordance with Article 12 of the United Nations Framework Convention on Climate Change (hereafter referred to as "the Convention") each Party is required to communicate to the Conference of the Parties (COP), through the secretariat, information related to the implementation of the Convention.

2. By its decision 9/CP.2,[1] the COP requested the secretariat to conduct a review of the second national communications, applying the procedures, defined in decision 2/CP.1,[2] which, *inter alia*, require the subsidiary bodies to take into consideration the in-depth review reports (IDRs).

B. Scope of the note

3. The present note summarizes the final results of these reviews, including the review process, and is intended to facilitate the consideration of the IDRs and the conduct of in-depth reviews of the third national communications to be submitted by Annex I Parties, in accordance with decision 11/CP.4,[3] by 30 November 2001.

4. At the time this note was prepared, the secretariat had completed the review of second national communications from Annex I Parties. This included 34 country visits and publication of the corresponding IDRs. The compilation and synthesis report on second national communications from Annex I Parties is contained in document FCCC/CP/1998/11 and Add.1-2. Interim reports and assessments of in-depth reviews of the second national communications are contained in documents FCCC/CP/1998/4 and FCCC/SBI/2000/3.

5. The present note is based on the information contained in the second national communications and in the IDRs. It also draws upon the report of the workshop on the preparation of the third national communications from Annex I Parties held in Bonn from 28 February to 2 March 2001 (FCCC/SBI/2001/INF.4), the technical paper on comparison of greenhouse gas emission projections (FCCC/TP/2001/1) and the report on the national greenhouse gas inventory data from Annex I Parties for 1990-1999 (FCCC/SBI/2001/13).

6. The note summarizes the experience gained during the in-depth reviews. It highlights some trends observed in the implementation of policies and measures and also briefly describes other commitments, with emphasis on new information. The note mainly refers to information on new policy initiatives launched after the second national communications were published, many in response to the adoption of the Kyoto Protocol in 1997.

C. Possible action by the SBI

7. The SBI may wish to consider the information contained in this report together with information from the IDRs of the second national communications from Annex I Parties, with a view to endorsing the results of in-depth reviews contained in the IDRs and the compilation and

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[1] For decisions of the Conference of the Parties at its second session, see FCCC/CP/1996/15/Add.1.

[2] For decisions of the Conference of the Parties at its first session, see FCCC/CP/1995/7/Add.1.

[3] For decisions of the Conference of the Parties at its fourth session, see FCCC/CP/1998/16/Add.1.

synthesis report. It may also wish to provide guidance to Parties and the secretariat on the consideration of the results of the review of third national communications by the subsidiary bodies and the COP.

8. In-depth reviews of the national communications due by 30 November 2001 are scheduled to take place in 2002-2004. The compilation and synthesis report could be prepared for consideration by the COP at its eighth session. The SBI may wish to confirm the timing of the review and the report and recommend it to the COP for its approval.

9. The SBI may wish to provide guidance on how information from the IDRs and national communications should be considered. For example, information and analysis contained in the individual IDRs could be considered and assessed individually or collectively after in-depth reviews have been completed. This would enable the subsidiary bodies to implement decision 2/CP.1 in full. To facilitate such consideration, the SBI may wish to consider convening an ad-hoc group of experts on Annex I communications. This group could examine the information from several IDRs as they become available and forward its main findings to the SBI. Alternatively, a limited number of workshops devoted to consideration of the results of the review could be conducted in 2003-2004. A combination of the above approaches could also be envisaged.

10. The SBI may also wish to consider how the in-depth review teams could bring forward to the subsidiary bodies and the COP information on specific issues related to the implementation of the Convention, identified during the review. In addition to enriching the Convention process, this could assist those Parties that intend to ratify the Kyoto Protocol in their preparation for reporting on demonstrable progress under Article 3.2 of the Protocol.

II. CONDUCT OF THE REVIEW

11. The in-depth review teams reviewed the key qualitative information and quantitative data contained in the second national communications. They thoroughly assessed the information contained in these communications, including that on policies and measures, against Convention objectives and assessed the extent to which progress towards these objectives had been achieved. Moreover, they assessed and described in the IDRs expected progress in the limitation of emissions of greenhouse gases by sources and the enhancement of removals by sinks.

12. The usefulness of the in-depth reviews was acknowledged during the reviews, at the meetings of the subsidiary bodies and at the workshop on the preparation of the third national communications from Annex I Parties. The contribution of the reviews to improvements in the quality of the national communications, their valuable capacity building component and the high quality of the resulting reports were also noted.

13. Review visits made it possible for the host country officials to explain the elements of their climate policies in more detail and to provide a wealth of background information which supported the analysis given in the national communications. The review teams, in turn, helped to identify problematic areas and to address them by providing a thorough technical analysis of the main issues identified during the visit. The discussions during the visit helped to stimulate the in-country debate on the efficiency and effectiveness of different policy approaches.

14. In accordance with the provisions of decision 2/CP.1, the IDRs were prepared using a non-confrontational language without specific policy recommendations. However, the language

used in the reports on the review of the second national communications allowed clear identifications of the strengths and weaknesses of the different approaches taken by Annex I Parties. These reports also pointed to the gaps in policy formulation and implementation, as well as to omissions in reporting.

15. Capacity building was an important element of the reviews. The review process provided an opportunity for most of the experts involved (more than a hundred in total) to learn from the experience gained in policy implementation of the countries being reviewed and also to share the experience of their respective countries. The experience gained was particularly useful for those experts who were later involved in the preparation of national communications of their country.

16. In most of the reviews, the review teams were provided with a wealth of information on action taken after the publication of the second national communication and with additional analysis which supported the climate change policy process. The IDRs reflected most of this information and analysis and in this context they can be seen as interim reports providing an overview of the climate policy of Annex I Parties after the publication of the national communications.

III. SUMMARY OF THE IN-DEPTH REVIEW FINDINGS

A. Reporting of information

17. In general, it was noted in the IDRs that information provided in the second communications was of higher quality than in the first ones, that it was better structured and easier to analyse. This was partly due to better adherence to the reporting guidelines. Many Parties acknowledged that an in-depth review of their first national communication helped them to mobilize additional resources and expertise in preparing their second national communication, which overall contributed to the improved quality of the second national communication. Review of all second national communications helped in turn to strengthen the analysis, enhance reporting of information and will no doubt improve the quality of the third national communications.[4]

18. Reporting of information in some sections of the national communications could be improved further, in particular the information on the total effect of policies and measures, the effects of individual policies and measures, projections with a consistent approach to the definition of different types of scenarios reported, as well as reporting on financial resources and the transfer of technology. While the new reporting guidelines for the preparation of national communications by Annex I Parties adopted by COP 5[5] should help to improve reporting, other issues will require more effort and methodological work, e.g. estimation of effects of policies and measures.

B. Overview of the reports

19. The IDRs highlighted the obvious fact that much more information was made available to the review teams than it was possible to include in the national communications. Approaches to address climate change did not change much in terms of their scope and coverage by sector in the period between the publication of the first and the second national communication. However, in

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[4] See FCCC/SBI/2001/INF.4.

[5] See FCCC/CP/1999/7.

a number of the IDRs, it was possible to describe major policy initiatives launched after COP 3. This included broadening the range and improving the balance of the policy instruments used and, especially, increasing the role of economic instruments. In some Annex I Parties, a shift from voluntary agreements (when they did not fully deliver the expected results) to regulatory and fiscal-based approaches was noted.

20. Many Parties demonstrated the tendency to integrate broad national climate change objectives into sectoral policies. Some also moved towards developing integrated climate strategies with specific emission reduction targets, taking into account mitigation and to some extent adaptation activities. In the preparation of these strategies governments usually sought consensus through public consultations with the main stakeholders. The IDRs often mentioned efforts aimed at strengthening the institutional framework.

21. Carbon/energy taxation reported by several Parties continued to be among the few measures implemented primarily to mitigate climate change. A number of countries moved to a comprehensive "green" tax reform. In some cases, the tax revenue was partly or fully recycled within the sector and tax exemptions were offered to a large number of energy-intensive industries under the condition that they would conclude voluntary agreements to improve energy efficiency. This was seen as a means of partially addressing the concern over competitiveness of industries subject to carbon/energy taxation.

22. While only a few Parties reported on the impact of energy market liberalization on their GHG emission trends, the IDRs provided additional information on other Parties starting to implement this policy and its expected impact. Most of the IDRs noted that the deregulation of the electricity and gas markets is a complex and lengthy process which depends on the national context, approaches adopted and prevailing energy prices. To secure environmental objectives in this process, some countries have given special consideration to the introduction of carbon quotas to minimize production from the old emission-intensive plants and the establishment of a "green" electricity market.

23. Reducing emissions from transport remained a challenge for all Annex I countries. The IDRs suggested that while reducing the GHG emissions from transport was seen as one of the long-term objectives for the transportation sector along with transport accessibility, quality, safety and the minimization of environmental impact, few policies were implemented exclusively to address GHG emissions, e.g. carbon/energy tax. Spatial planning was also emphasized as a tool to promote effective, safe and environmentally safe transport and hence to limit the emissions originating from it.

24. Voluntary agreements chiefly aimed at improving energy efficiency continued to be the most frequently reported policy instruments used to mitigate emissions from industry. These agreements worked well in countries with strong central associations of industries, where these agreements, supported by additional policies such as subsidies for research, development and pilot projects, tax breaks for energy efficiency investment and information services, brought significant emission reductions.

25. The IDRs suggested that countries are using a broad portfolio of policy instruments to promote different forms of renewable energy sources. These included tax credits for electricity produced from wind and biomass, subsidies, grant schemes, support for research and development, and the internalization of external costs in prices. In the residential, commercial

and institutional sectors emission reductions were achieved mainly by improving energy efficiency. A limited number of policies were reported for the agriculture sector in both the second national communications and in the IDRs, since it was an important source of emissions for only a few countries. Analysis of the mitigation approaches in this sector provided in the IDRs suggested that Annex I Parties were striving to identify effective climate-related measures, while improving agricultural productivity and tightening air and water pollution control.

26. Vulnerability and adaptation was one of the areas where significant progress has been made and much more information reported in the second national communication compared to the first one. The main efforts of Parties were directed towards systematic assessment of climate change impacts in most of the relevant sectors by using scenarios from the IPCC Second Assessment Report and from other sources. Steps taken so far on adaptation were mostly limited to preparing plans for future action.

27. Financial assistance and technology transfer were an area in which the IDRs helped to clarify the reasons for existing gaps in reporting. Many IDRs indicated a better understanding of the distinction between "soft" and "hard" technologies in a number of Parties. Information contained in the IDRs suggested that Annex I Parties were making an effort to provide developing countries with financial resources and to support specific mitigation and adaptation projects.

IV. CONSIDERATION OF INFORMATION

28. As can be seen from the above, national communications and corresponding IDRs provided Parties with sufficient information to draw conclusions about the likelihood of Annex I Parties meeting their commitments under Article 4.2 (a) and (b) of the Convention. The review process also allowed Parties to become aware of efforts by individual countries aimed towards these commitments.

29. Parties were provided with periodic reports by the secretariat on the progress of the in-depth review process. The consideration of national communications from Annex I Parties was regularly put on the agenda of both the Conference of the Parties and the SBI.

30. Nevertheless, the process of consideration could be further enhanced. Discussions on the national communications of Annex I Parties at the sessions of the COP and the SBI were by necessity limited by full agendas and resulting time constraints. It might therefore be advisable to complement and strengthen the consideration of issues related to national communications from Annex I Parties by the SBI and the COP.

31. The consideration of national communications could be advanced, for example, by convening an adhoc group of experts which would examine the information from a number of the published IDRs and forward its main findings to the SBI. The consideration of individual communications and/or IDRs could also be an option. A limited number of workshops could be envisaged to discuss and analyse information contained in both national communications and IDRs. In addition to providing an early assessment of the implementation of Convention commitments by Annex I Parties, this could also assist Parties that intend to ratify the Kyoto Protocol to be better prepared for reporting on demonstrable progress in accordance with Article 3.2.

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NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN ANNEX I TO THE CONVENTION

PROVISION OF FINANCIAL AND TECHNICAL SUPPORT

Activities of the secretariat to facilitate the provision of financial and technical support, and information on communications from Parties not included in Annex I to the Convention

Note by the secretariat

I. INTRODUCTION

A. Mandate

1. The activities of the secretariat to facilitate the provision of financial and technical support to Parties not included in Annex I to the Convention (non-Annex I Parties) for the preparation of national communications are mandated by Article 8.2(c) of the Convention and various decisions by the Conference of the Parties (COP).[1]

2. Decision 10/CP.2, in particular, requests the secretariat "to facilitate assistance to Parties, particularly developing country Parties, in the preparation of their initial communications, through the organization of workshops at the regional level; to provide a forum for the exchange of experiences in the development of emission factors and activity data for the estimation of the inventory, as well as, on request, for other elements of information in the initial communication; and to provide a report to the Subsidiary Body for Implementation (SBI) and the Subsidiary Body for Scientific and Technological Advice (SBSTA) at each of their sessions."

[1] See decisions 10/CP.2, 12/CP.4 and 8/CP.5. The full texts of these decisions adopted by the Conference of the Parties at its second, fourth and fifth sessions are contained in documents FCCC/CP/1996/15/Add.1, FCCC/CP/1998/16/Add.1 and FCCC/CP/1999/6/Add.1, respectively.

B. Scope

3. The present document reports on the activities undertaken by the secretariat since the second part of the thirteenth sessions of the subsidiary bodies (The Hague, 13 to 18 November 2000). Section II of the report describes the activities of the secretariat to facilitate assistance to Parties. These activities include support to the work of the Consultative Group of Experts on National Communications from Parties not included in Annex I to the Convention (CGE), and participation in other seminars and workshops related to the preparation of national communications. Section III provides an overview of the status of preparation of national communications by non-Annex I Parties. It outlines the problems and constraints identified by non-Annex I Parties and the lessons learned in the process of preparing their national communication, based on the responses to a questionnaire designed and sent out by the secretariat.[2]

II. ACTIVITIES OF THE SECRETARIAT

A. Support to the Consultative Group of Experts

4. Pursuant to decision 8/CP.5, para. 5, the UNFCCC secretariat has continued to facilitate the work of the CGE in discharging its mandate. The main objective of the expert group is to improve national communications from non-Annex I Parties.

5. The CGE, since its establishment on 8 June 2000, has held three meetings,[3] three regional workshops and one interregional workshop.[4] The meetings were held to discuss the progress of work towards the implementation of its mandate and to consider the reports of its regional and interregional workshops. The fourth meeting of the CGE will take place in Marrakesh, Morocco on 25 and 26 October 2001. A preliminary report of the CGE (FCCC/SBI/2001/8) was presented to the SBI at its fourteenth session and the report covering its present mandate is contained in document FCCC/SBI/2001/15. The SBI took note of the preliminary report of the CGE and invited Parties to submit views on the report and also to provide views on the current progress of the process aiming at improvement of guidelines for subsequent national communications of Parties not included in Annex I to the Convention, in accordance with decision 8/CP.5, by 15 September 2001.

6. In response to a request by the SBI at its fourteenth session, the secretariat has compiled the information on the Parties' views in a miscellaneous document (FCCC/SBI/2001/MISC.2) and prepared a consolidated report (FCCC/SBI/2001/INF.11) for consideration by the SBI at its fifteenth session.

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[2] An overview of the status of preparation of initial national communications of non-Annex I Parties is available on the UNFCCC secretariat web site (http://www.unfccc.int/resource/docs/nc/DISPNC_WEB.htm).

[3] The reports of the three meetings of the CGE are contained in documents FCCC/SBI/2000/16, FCCC/SBI/2001/2 and FCCC/SBI/2001/3.

[4] The reports covering the four workshops of the CGE are contained in documents FCCC/SBI/2000/INF.4, FCCC/SBI/2000/INF.9, FCCC/SBI/2000/INF.10 and FCCC/SBI/2001/INF.1.

B. Participation in regional meetings other than those of the CGE

7. Since the preparation of the report on the activities undertaken by the secretariat to facilitate assistance to Parties (FCCC/SBI/2000/INF.7) presented to the thirteenth sessions of the subsidiary bodies, part II (The Hague, 13 to 18 November 2000), the secretariat has participated in and made important contributions to five regional meetings.

8. The first meeting was the Eastern and Southern Africa regional exchange workshop on the preparation of national communications of non-Annex I countries, 14 to 15 August 2000, Nairobi, Kenya. This workshop, organized by the National Communications Support Programme (NCSP),[5] had the objective of providing a forum for experts to exchange experience in the preparation of various elements of the integration of climate change concerns into national planning and issues related to capacity building for the effective implementation of the Convention. Thirty-seven participants from 20 countries attended this workshop with the aim of improving capacities and capabilities to collect, collate, disseminate and use data and information relevant to the preparation of national communications and implementation of climate change projects.

9. The secretariat made presentations on national inventories of greenhouse gases, climate change vulnerability and adaptation assessments, greenhouse gas abatement analysis and financial and technical support for the preparation of national communications. The presentations were based on information contained in five national communications submitted by countries from the African region. The secretariat also made a presentation on decision 8/CP.5 with emphasis placed on the mandate and terms of reference of the CGE.

10. The second meeting was the regional exchange workshop on climate change for the Asian region, which was held in Kuala Lumpur, Malaysia, from 26 to 29 September 2000. The workshop was organized by the NCSP with the aim of identifying a range of uncertainties in climate change vulnerability and adaptation assessments and approaches for dealing with them; investigating ways to integrate across sectors at various scales and units; considering practical approaches to assessing adaptation to climate change; and considering regional and/or subregional approaches to undertaking climate change vulnerability and adaptation assessments. A total of 50 participants from 15 countries in the Asian region participated in the workshop.

11. The secretariat made a presentation on the compilation and synthesis of adaptation options contained in the national communications of five country Parties in Asia. The presentation outlined the result of adaptation assessments and problems and constraints encountered. The outcomes of the workshop included: (a) an appreciation by participants of the inherent difficulties and the various ways in which uncertainties can be dealt with in vulnerability and adaptation assessments, (b) an appreciation that integration can be achieved across activities, sectors and regions particularly in such areas as water resources, agriculture and coastal zones, and (c) an agreement for a Global Environment Facility (GEF) project development facility,

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[5] The NCSP is implemented jointly by the United Nations Development Programme and the United Nations Environment Programme with Global Environment Facility funding. The aims of the NSCP are to promote the quality, comprehensiveness and timeliness of initial national communications from non-Annex I Parties, and to ensure timely and cost-effective implementation of GEF projects on climate change enabling activities.

block B funding proposal for capacity building for stage II adaptation to climate change in the Asian region.

12. The third meeting was the regional workshop on climate change for South America, held in Asuncion, Paraguay from 12 to 14 December 2000. The workshop was also organized by the NCSP and was attended by participants from nine countries and three international organizations.

13. The objectives of the workshop included the identification of the national and regional priority activities to be undertaken within the framework of implementing the second phase of the GEF enabling activity (top-up) projects, as well as options for enhancing national capacities, regional cooperation and the needs for technical assistance. The workshop also discussed the draft regional proposal for the analysis of greenhouse gas mitigation options prepared at Montevideo, Uruguay.

14. The secretariat made a presentation on the process and status of preparation of national communications from non-Annex I Parties. Participants exchanged national experience in the process of preparation and follow-up activities and noted that good progress has been made in the process of preparation of national communications by Latin American countries. It was agreed that national capacities built in the course of preparing national communications be sustained. These capacities include those relating to institutional arrangements and coordination mechanisms.

15. The workshop stressed the role of technology transfer in addressing the problem of climate change and that developing countries require financial resources and capacity building to effectively implement the Convention.

16. Participants gave their consent to a regional proposal for undertaking abatement analysis in Latin America and the Caribbean. The objective of the proposal was to strengthen national capacity in non-Annex I Parties for carrying out abatement analysis. It also includes the development of methodological tools to assist non-Annex I countries in developing baseline scenarios, cost estimates and screening of abatement options. Participants suggested that the proposal be integrated into the work programme of the National Communications Support Programme (NCSP) for 2001 and 2002.

17. The fourth meeting was the workshop of the consultative and technical committee on climate change for the Maghreb region. The meeting, which was held from 14 to 15 June 2001 in Tunis, Tunisia, was organized by the GEF/UNDP with the objective of providing a forum for experts to exchange information and experience on ways of improving the preparation of the initial national communications of Algeria, Morocco and Tunisia. The secretariat made a presentation on the preparation of national communications of non-Annex I Parties.

18. Participants discussed issues relating to the preparation of national inventories of greenhouse gases as well as impacts, vulnerability and adaptation assessments. The workshop also provided an opportunity to discuss the third assessment report of the IPCC, finalize discussions on the terms of reference of the consultative and technical committee on climate change in each of the three countries and to launch the Maghreb web site on climate change. The output of the workshop will be presented at a side event to be organized on the margins of

COP 7. The meeting was attended by 50 participants from four countries and resource persons from international organizations.

19. The fifth meeting was the eleventh Asia-Pacific seminar on climate change, which was held in Kitakyushu City, Japan, from 28 to 31 August 2001. The seminar was organized by the Ministry of the Environment of Japan, Fukuoka Prefecture, Kitakyushu City; the United Nations Economic and Social Commission for Asia and the Pacific; and the Institute for Global Environmental Strategies, in cooperation with the UNFCCC secretariat and the Ministries of Foreign Affairs and Economy and Industry of Japan. It was attended by experts from 18 countries as well as representatives of 12 international organizations. Resource persons from Japanese research institutes, universities, and private companies were also in attendance. The main objective of the seminar was to exchange information and experience among experts of the region and to explore avenues to further facilitate collaboration among countries in the region to address climate change.

20. The secretariat made two presentations, one on the outcomes of the resumed sixth session of the Conference of the Parties and the other on the status of preparation of national communications of Parties not included in Annex I to the Convention.

21. Outcomes of the seminar included the need to build upon the Bonn Agreements so as to ensure success at COP 7 in Marrakesh, Morocco; ensure prompt and effective implementation of the Asia-Pacific regional action programme for the period 2001-2005, in particular, its programme activities in the areas of climate change and sustainable energy development; and encourage international cooperative efforts by all Parties, the GEF and its implementing agencies (UNEP, UNDP and the World Bank) for the effective implementation of the Convention.

22. Other conclusions of the meeting were, inter alia, the need to standardize baselines for clean development mechanism (CDM) projects in the energy, industry and transport sectors to ensure a prompt start of the CDM, address issues relating to criteria and procedures including legal and institutional arrangements for screening, evaluating and approving CDM projects in the host country, provide adequate resources to country Parties that are particularly vulnerable to the adverse effects of climate change, and improve the quality and timeliness of national communication of developing countries.

C. Support to the National Communications Support Programme and other GEF activities

23. The UNFCCC secretariat provided support for the work of the NCSP including co-chairing its Advisory Committee. Within the framework of the implementation of climate change enabling activities in Africa, Central Europe and the Commonwealth of Independent States, Asia and Pacific, Arab States, and Latin America and the Caribbean, the NCSP had provided technical assistance to about 130 countries. Many of these countries that participated in the activities of the NCSP have submitted their national communications to the UNFCCC secretariat, and some of them are accessing GEF funds for their Phase II enabling activities. The final project evaluation of the NCSP states that the Project Advisory Committee, with members from the GEF and UNFCCC secretariats, was instrumental to its success.

24. The secretariat participated in some workshops of the NCSP as resource persons, and assisted in the planning of the workshops and helped to review the progress of implementation of NCSP activities. It also reviewed technical materials of the programme which included the MAGICC/SCENGEN Model for Climate Change Vulnerability and Adaptation Assessment, the NCSP newsletter, "Communications Quarterly" as well as project proposals on developing socio-economic scenarios for use in vulnerability and adaptation assessments. The secretariat also provided comments on the UNEP-Risø Economics of Greenhouse Gas Limitations: Methodological Guidelines. It revised the terms of reference of experts being recruited to assist with the implementation of GEF regional projects on capacity building for improving national GHG inventories in West Africa and in Central Europe and the Commonwealth of Independent States.

25. Furthermore, the secretariat provided comments on all GEF enabling activity project proposals submitted for funding by non-Annex I Parties from October 2000 to the present time. The project activities included those which relate to the preparation of initial and second national communications as well as activities in support of the implementation of phase II enabling activities. Specific activities covered under these project proposals are outlined in paragraph 59 and illustrated in figure 3. The project proposals are designed to strengthen national climate change teams to implement the UNFCCC both at the national and regional levels.

26. The secretariat also provided comments on the GEF regional project proposals on capacity building for improving national GHG inventories in West Africa; capacity building for observing systems for climate change, the assessment of technology transfer needs; capacity building for stage II adaptation to climate change projects in Central America, Mexico and Cuba, and on the Caribbean mainstreaming adaptation to climate change.

III. STATUS OF PREPARATION OF NATIONAL COMMUNICATIONS

27. The results of the analysis presented in this section of the report are based on information contained in initial national communications and on responses from non-Annex I Parties to a questionnaire distributed by the secretariat. Information provided by the GEF, its implementing agencies, and bilateral programmes were also utilized.

28. In order to provide Parties with an overview of the status of preparation of national communications and to better identify the problems and constraints encountered by non-Annex I Parties in the preparation of their national communications and phase II enabling activity projects, the secretariat prepared and administered a questionnaire to those Parties. It provided a framework for those Parties to provide information on the status of preparation of their initial and second national communications. In 2000, 86 non-Annex I Parties responded to the questionnaire on initial national communications. In 2001, the secretariat requested non-Annex I Parties to either update information provided in response to the previous questionnaire or to provide new information if they had not responded to the questionnaire administered in 2000. Some Parties were also requested to fill out a section of the questionnaire on phase II enabling activities or the section on the status of preparation of second national communications, as applicable.

29. Between January and September 2001, a total of 97 non-Annex I Parties responded to the questionnaire and provided information on national communications and/or phase II enabling

activities. Of the 97 respondents, 36 were from Africa, 31 from Asia and the Pacific, 21 from Latin America and the Caribbean, and nine from Eastern and Central Europe.

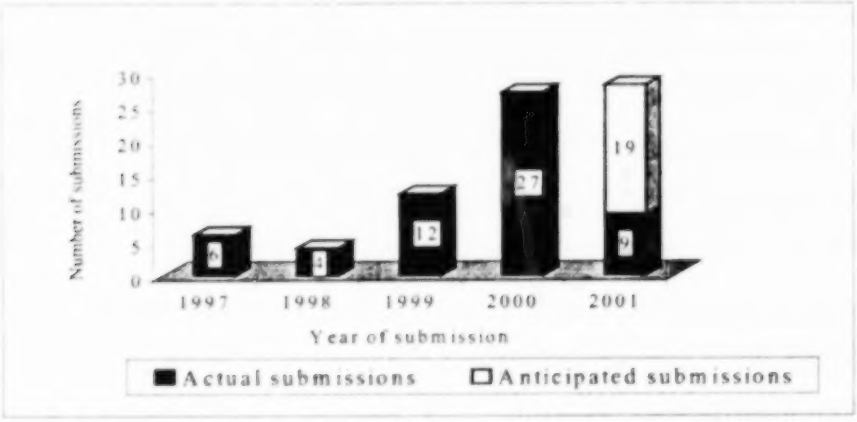
30. Fifty-eight Parties provided information with regard to GEF phase II enabling activities projects and 11 Parties supplied information on the status of preparation of second national communications.

31. A brief summary of the main findings is given below.

A. Status of preparation of initial national communications

32. As at 2 October 2001, 58 initial national communications have been submitted to the secretariat (in the following chronological order): Jordan, Argentina, Uruguay, Senegal, the Federated States of Micronesia, Mexico, the Republic of Korea, Zimbabwe, Armenia, Kazakhstan, Mauritius, Egypt, Georgia, Uzbekistan, Indonesia, Cook Islands, Kiribati, Nauru, Samoa, Tuvalu, Vanuatu, Lebanon, Chile, El Salvador, Lesotho, the Philippines, Azerbaijan, Singapore, Malaysia, Lao People's Democratic Republic, Sri Lanka, Turkmenistan, Bhutan, Cape Verde, Mali, Niger, the Republic of Moldova, Thailand, Ecuador, Honduras, Seychelles, Bolivia, Costa Rica, Israel, Democratic Republic of the Congo, Grenada, Jamaica, Saint Vincent and the Grenadines, Marshall Islands, Côte d'Ivoire, Algeria, Ghana, Panama, Nicaragua, Peru, Antigua and Barbuda, Cuba and Niue (see figure 1).

Figure 1: Submission trends for national communications



33. Argentina, the Federated States of Micronesia and Uruguay have submitted addenda to their initial national communications. Argentina submitted an addendum covering inventory data for 1990, 1994 and 1997. Uruguay submitted two addenda covering inventory data for 1994 and 1998 as well as comparative studies of GHG emissions for 1990, 1994 and 1998. The Federated States of Micronesia submitted an addendum which provides additional information on all elements of its national communication.

34. Five Parties responding to the questionnaire for the first time indicated that they had yet to commence work on the preparation of their national communications. Equatorial Guinea has not provided any information relating to the preparation of its national communication and

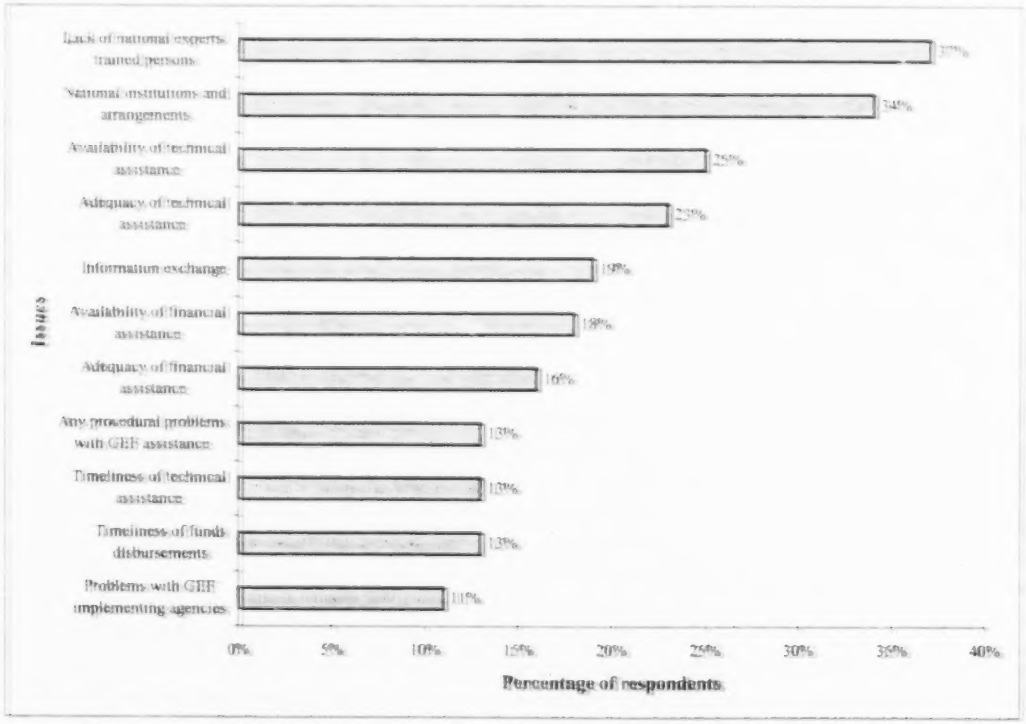
indicated that it has only recently ratified the Convention. The majority of non-Annex I Parties are presently engaged in the process of preparing their initial national communications.

35. A number of issues pertaining to the preparation of initial national communications by non-Annex I Parties were identified during the analysis of the responses to the questionnaire administered by the secretariat. Information on initial national communications obtained from 102 Parties was used in the analysis. It includes responses from the 16 Parties who filled in the questionnaire for the first time in 2001 and 86 Parties that completed the questionnaire in 2000. Of the 86 Parties that provided information in 2000, 30 of them provided updated information in 2001.

General problems and constraints

36. A number of general problems and constraints encountered by non-Annex I Parties in the course of preparing their initial national communications were identified. These problems include the lack of national experts and trained persons, lack of suitable national institutions and appropriate institutional arrangements and non-availability and/or inadequacy of technical and financial assistance. Other constraints relate to inadequate facilities for information exchange (see figure 2).

Figure 2: Major problems and constraints encountered by Parties during the preparation of their national communications for the period 2000 and 2001



37. Some Parties indicated that they encountered difficulties of procedural nature in respect to financial and technical assistance from the GEF and its implementing agencies which often led to delays in accessing needed assistance. These problems were encountered mainly in the initial phases of project implementation. The National Communications Support Programme was mentioned as having helped improve the delivery of technical assistance.

Greenhouse gas inventories

38. Most non-Annex I Parties reporting base year information to prepare their national greenhouse gas inventories indicated that the base years used were those proposed by the UNFCCC guidelines for the preparation of initial national communications. Sixty-six per cent of respondents used 1994 as their base year, 32 per cent used 1990, and 11 per cent used other base years (mainly 1995), owing to the lack of national data for either 1990 or 1994.

39. A number of countries indicated that they had developed data sets for years other than 1994 and 1990. Many of them, however, stressed that they did not have complete sets of data covering all relevant source categories of the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories.

40. Approximately half of all respondents (58 per cent) used only the Revised 1996 IPCC Guidelines, while ten per cent used the IPCC 1995 Guidelines. Twelve per cent of respondents used both versions of the IPCC Guidelines. A few Parties indicated that they have modified the IPCC Guidelines to accommodate local conditions, for example, by adding new source categories as appropriate.

41. Seventy respondents have established technical GHG inventory teams, while most of those Parties that have not done so indicated their intention to establish such teams. Twenty-five respondents indicated that they are setting up databases in a more systematic manner for the preparation of GHG inventories. Most Parties that do not have such databases expressed their willingness to develop one if financial assistance is forthcoming.

42. The main problems identified during the preparation of GHG inventories related to the lack of reliable data, particularly in the areas of land-use change and forestry and solvents; the insufficient national capacity for collection, classification, management and analysis of data; the use of uncertain emission factors; and problems in applying IPCC methodology in certain sectors.

43. Respondents from the African region and the Latin America and the Caribbean region identified the main problems in preparing their GHG inventories in the following order: lack of local emission factors, lack of reliable activity data, and the limitations in the application of IPCC methodology in certain sectors. In the Asia and the Pacific region, the main problems encountered were the lack of reliable activity data, lack of appropriate local emission factors and the need for trained national experts. A few respondents from Eastern Europe stressed the lack of both reliable data and local emission factors and the limitations of the IPCC methodology.

General description of steps

44. Forty-eight respondents reported that they have developed programmes related to national sustainable development, while most of the remaining respondents confirmed their intention to develop such programmes in the future. Many of the respondents intend to establish national research programmes dedicated to climate change. Seventeen non-Annex I countries already have such programmes in place. Only a minority of countries reported on the elaboration of national climate change educational (12) and public awareness programmes (23). Some countries indicated that they have promoted some research, education and public awareness activities related to climate change.

45. Systematic observation programmes have been developed by 29 of the respondents. Thirty-eight Parties that have yet to establish systematic observation programmes intend to do so in the future. Some Parties stressed the inadequacy of the existing observation networks to analyse climate change data, and mentioned that although some systematic observation activities have been initiated, they have not been fully developed.

46. Efforts to integrate climate change concerns into medium- and long-term planning are being made by most of the respondents (67). These efforts included the development of climate change national plans; the incorporation of climate change into national development, energy and environmental plans; and the inclusion of expenditures on climate change activities in the national budget. Other activities mentioned were the establishment of institutional frameworks such as inter-ministerial consultative commissions on climate change or national climate change committees or forums encouraging the participation of main stakeholders in planning; the integration of climate change concerns in the development of legal frameworks for implementing measures on energy, forestry, agriculture and the environment; the promotion of policy makers' awareness of different policy options relating to climate change; and the provision of training to national experts. A majority of the respondents stressed, however, that they lack adequate capacity to continue and strengthen these efforts, and expressed the need for financial resources and technical assistance.

47. Most respondents indicated that they are in the process of undertaking, or have completed, vulnerability assessments, and some of them revealed that they have used or intend to use both climate change and socio-economic scenarios, while the rest are using only climate change scenarios. Only 19 countries considered, however, that they have adequate monitoring systems for climate change impacts on terrestrial and marine ecosystems; 45 countries confirmed their intention to establish such systems.

48. The main areas selected for vulnerability assessment are water resources, agriculture, coastal zones, forestry, human health, biodiversity, energy and human settlements, in that order of priority. Other areas mentioned included tourism, fisheries, snow cover, land degradation and desertification.

49. The respondents from Africa and Eastern Europe indicated that water resources, agriculture and forestry are the three most important sectors vulnerable to the impact of climate change, while those from Asia and the Pacific, and Latin America and the Caribbean, regarded agriculture, water resources and coastal zones as the three most important sectors. These results reflect both the geographical location and the national circumstances of the respondents.

50. Sixteen respondents used general circulation models to generate scenarios of future climate change. The models used included the Canadian Climate Centre model (CCCM), Geophysical Fluid Dynamics Laboratory models (GFDL and GFDL-T), the Goddard Institute for Space Studies model (GISS), the United Kingdom Meteorological Office model (UKMO), the United Kingdom Office Model run 1989 (UK89), and Hadley Centre models. The MAGICC/SCENGEN model, a simple climate model, was used by some to generate regional climate scenarios. Some Parties also listed the use of the Water Balance model (WATBAL) for measuring climate change impacts on water resources, the habitat suitability index for wildlife, crop environment resource synthesis (CERES)-maize for agriculture and the Holdridge life zones classification and GAP models for forestry. Analysis of hydrodynamic and saline intrusion and beach erosion were used by some in the assessment of coastal zone vulnerability, while others employed risk analysis for appraising human health vulnerability.

51. Sixteen Parties responded that they have developed policy frameworks and response strategies for implementing adaptation measures, and another seven respondents expect to initiate work for developing policy frameworks and response strategies to implement adaptation options.

52. The main sectors where adaptation policy frameworks and response strategies are being assessed and formulated are water resources and agriculture, followed by human health, coastal zones, and forestry. Some Parties also made mention of initiatives being taken in the areas of energy, biodiversity, human settlements, fisheries and tourism.

53. Priority sectors varied somehow from region to region. Respondents from the Asia and the Pacific region, and the Latin America and the Caribbean region, highlighted agriculture, water resources, coastal zones and human health sectors. African respondents, however, stressed water resources, agriculture, forestry, human health and coastal zones. All four respondents from Eastern Europe are preparing adaptation policy frameworks and response strategies in the areas of water resources, agriculture and forestry.

54. Twenty Parties have completed a GHG emissions abatement assessment, another 31 are in the process of carrying out the assessment, and 17 have yet to undertake the assessment. The main sectors assessed are energy, followed by land-use change and forestry, transport, agriculture, waste management and industrial processes. After the energy sector, the transport sector seems to be more relevant for respondents from Latin America and the Caribbean, and Asia and the Pacific, while the land-use and forestry assessment is important for Africa. Twenty-nine Parties have identified options for least-cost GHG emissions abatement.

Other information

55. Most of the respondents (71) intend to include a list of projects in their initial national communications to be financed in accordance with Article 12.4. Thirty-seven respondents intend to include information for the calculation of global emission trends, such as emission projections, socio-economic scenarios, data sources, calculation methods and information regarding software and databases used in the estimation of greenhouse gas emission inventories, as well as activity data for determining GHG inventory trends for years other than the base years proposed in the UNFCCC guidelines.

B. Enabling activities, phase II (expedited financing for (interim) measures for capacity building in priority areas

56. Pursuant to decision 2/CP.4, the GEF provided funding under its expedited procedure for the implementation of specific capacity building activities by non-Annex I Parties within the framework of enabling activities phase II.

57. Based on the 58 responses to the section of the questionnaire on the status of preparation of phase II enabling activities and additional information obtained from the GEF, 67 Parties have submitted project proposals for funding of phase II enabling activities, which are designed to strengthen activities initiated during the preparation of their initial national communications and may lead to project proposals for the second national communications.

58. Forty-eight project proposals have been approved by the GEF and most Parties have started implementing the projects. One Party has completed its project activity and submitted its report to the secretariat, 18 other Parties indicated that they expect to complete their project activities in 2001, and another 20 Parties expect to do so in 2002. The approved budget for the projects varies from US$ 48,000 to US$ 100,000.

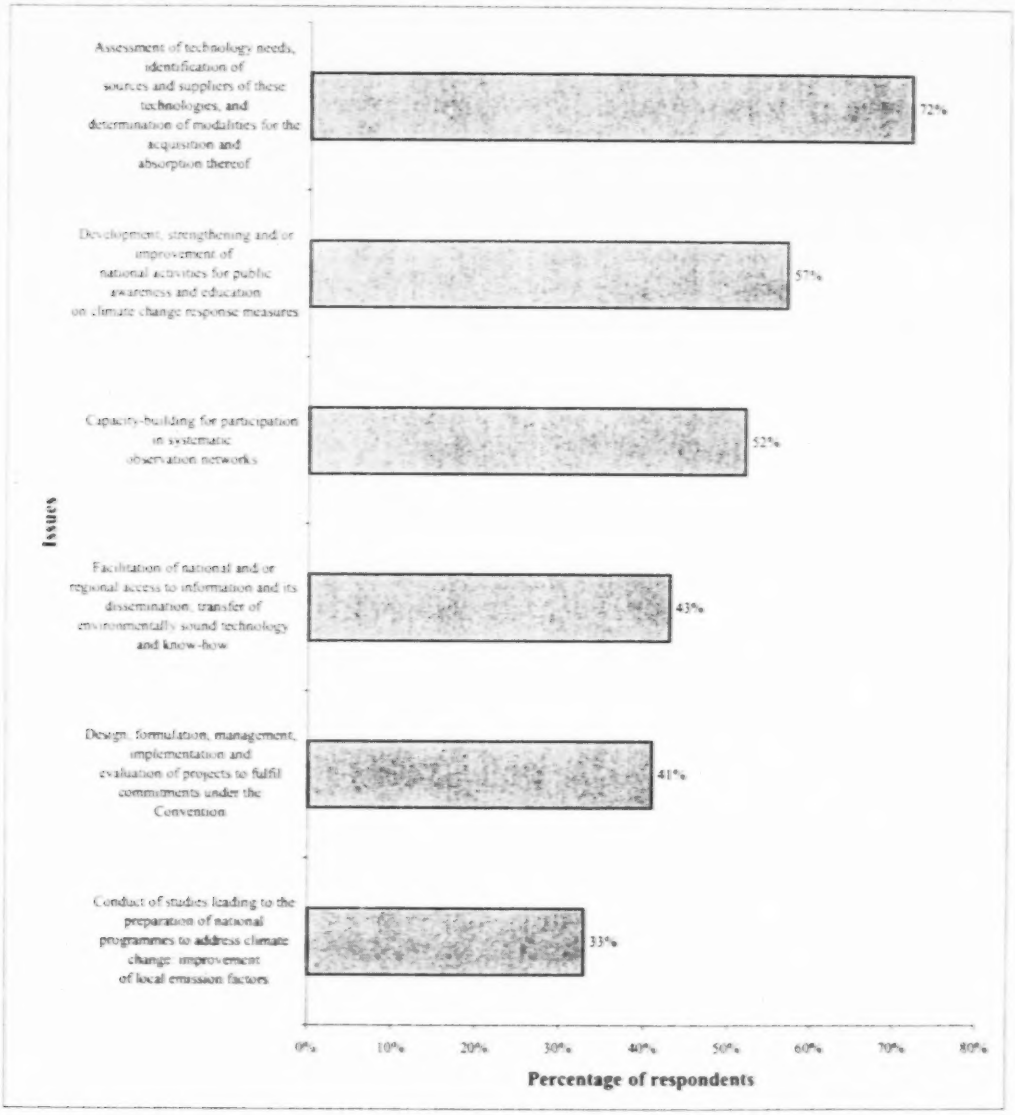
59. Figure 3 depicts the distribution of activities being implemented under phase II enabling activity projects in 58 countries that responded to part II of the questionnaire. Seventy-two per cent of responding Parties indicated that projects relate to capacity building activities in the areas of assessment of technology needs, identification of sources and suppliers of these technologies, and the determination of modalities for the acquisition and absorption of those technologies. Fifty-six per cent of respondents indicated that they would undertake projects leading to the improvement of national activities for public awareness and education on climate change. Fifty-two per cent of all responding Parties revealed that project activities include capacity building initiatives for effective participation in systematic observation networks. Project activities covering the facilitation of national and/or regional access to the information provided by international centres and networks, and for working with those centres for the dissemination of information, information services, and transfer of environmentally sound technologies and know-how would be implemented by 43 per cent of responding Parties. Forty-one per cent of respondents revealed that they have activities which relate to the design, formulation, management, implementation and evaluation of projects which would help them fulfil their commitments under the Convention. Thirty-three per cent of reporting Parties revealed that they would conduct studies leading to the preparation of national programmes to address climate change. These include the improvement of local emission factors.

C. Status of preparation of second national communications

60. Pursuant to decision 8/CP.5, all Parties that have submitted their initial national communications before the adoption of the revised guidelines for national communications, and that wish to start the preparation of their second national communications before the seventh session of the Conference of the Parties, may do so using the initial guidelines. The decision further requests the GEF to provide funding for the preparation of the second national communications of those Parties, following the guidance given to it as set out in decisions 11/CP.2 and 2/CP.4.

61. One non-Annex I Party (Uruguay) has accessed funds from the GEF for the preparation of its second national communication. Eight other Parties have expressed their intention to seek funds from the GEF for the commencement of work towards the preparation of their second national communications. Mexico has already submitted its second national communication.

Figure 3: Activities being implemented by Parties under phase II enabling activities projects



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